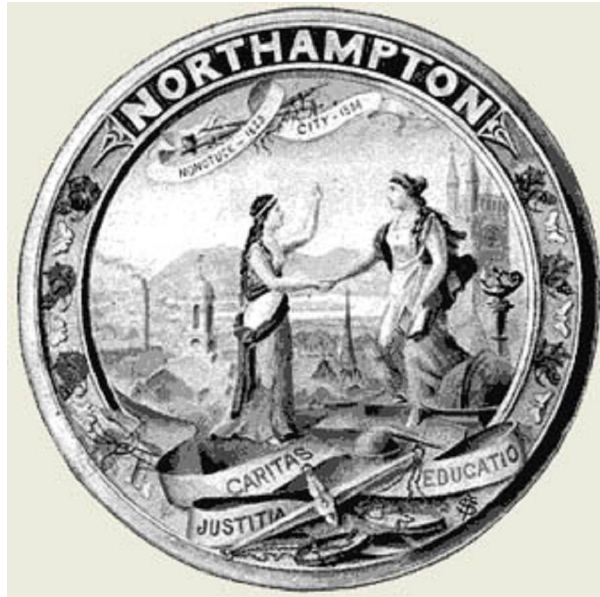


CITY OF NORTHAMPTON, MASSACHUSETTS HOUSING NEEDS ASSESSMENT and STRATEGIC HOUSING PLAN



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CITY OF NORTHAMPTON HOUSING NEEDS ASSESSMENT and STRATEGIC HOUSING PLAN

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CITY OF NORTHAMPTON

HOUSING NEEDS ASSESSMENT and STRATEGIC HOUSING PLAN

1. EXECUTIVE SUMMARY

1.1 Background and Purpose

Northampton has embarked on a number of important planning efforts during the past several years, most recently the Sustainable Northampton Comprehensive Plan (SNCP), completed in January 2008. This Plan indicated that the guiding principle related to affordable housing was to “support a wide variety of housing types that increase rental and homeownership units to create and preserve a range of affordability and choice in housing options”. The SNCP also included specific strategies for meeting these objectives.

In the fall of 2008, the Northampton Housing Partnership received funding from the Northampton Community Preservation Committee for the purpose of commissioning the preparation of a comprehensive Housing Needs Assessment and Strategic Housing Plan for Northampton that would build upon the broad housing principles and strategies set forth in SNCP. Such an Assessment and Strategic Plan are necessary in order to give the City the operational tools it needs to make the vision contained in SNCP a reality.

The first component of this effort is the Housing Needs Assessment. This Assessment represents an opportunity for the City of Northampton to fully examine the relationship between changing demographics within the City and the specific impacts of those changes relative to housing, the dynamics in market conditions in particular. Only by understanding these changing demographics and housing conditions can the City determine the current and future housing needs of its citizenry.

The Housing Needs Assessment ultimately serves as the context for the Strategic Housing Plan that details housing production goals and strategies for Northampton to meet the identified needs. Ultimately, the intent is that the Housing Needs Assessment and Strategic Housing Plan provide guidance to the City as it renders decisions on any number of policy issues regarding housing in the City such as where to allocate resources for the production of new affordable and workforce housing, how to revise its existing zoning code as it relates to building new housing, and how to engage housing developers and other housing service providers in partnerships that will work to fill the identified needs.

1.2 Summary of Significant Demographic and Housing Trends

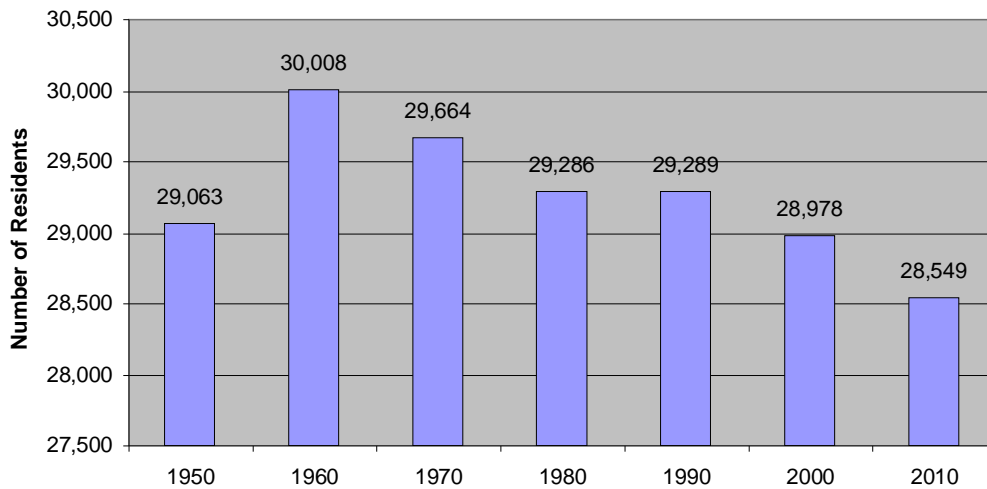
- *Northampton's population growth has remained relatively flat* since the middle of the 20th Century, from 29,063 residents in 1950 to 28,549 residents in 2010, based on census data and as presented in Figure 1-1. The City's Office of Planning and Development projects that the City's population should continue to be relatively stable over the next 20 years.
- *Despite fairly flat overall population growth, the number of households in Northampton has been increasing.* The number of households increased by 16% from 10,277 in 1980 to 11,880 in 2000, while the average household size decreased from 2.45 person to 2.14 persons. This increase in households is correlated to the growing number of smaller, non-family households¹,

¹ Includes individuals and unrelated household members. This census definition actually does not include many of the city's families that are headed by same sex couples.

from 3,980 in 1980 to 6,002 in 2000, comprising about 50% of all households in Northampton. Projections indicate that the number of households will continue to increase.

Figure 1-1

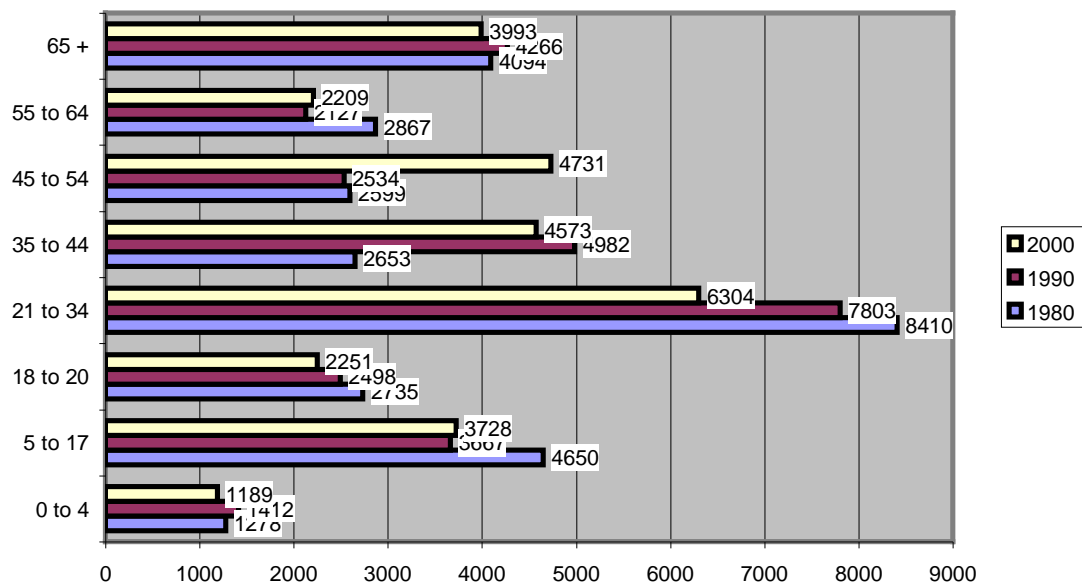
Population Change 1950 to 2009



Northampton's population is aging. The numbers of children have declined, and while there is a substantial population of young adults age 21 to 34 in Northampton, including Smith College students, their numbers have been on the decline as well. *In fact, based on 2010 Census Redistricting data, the number and percentage of those under 18 have continued to decrease from 4,917 or 17% in 2000 to 4,616 or 16.2% by 2010.* On the other hand, there were substantial increases in more middle-aged residents age 35 to 54, a decline since 1980 in the numbers of those aged 55 to 64, and relative stability of those aged 65 or older. Figure 1-2 summarizes these trends.

Figure 1-2

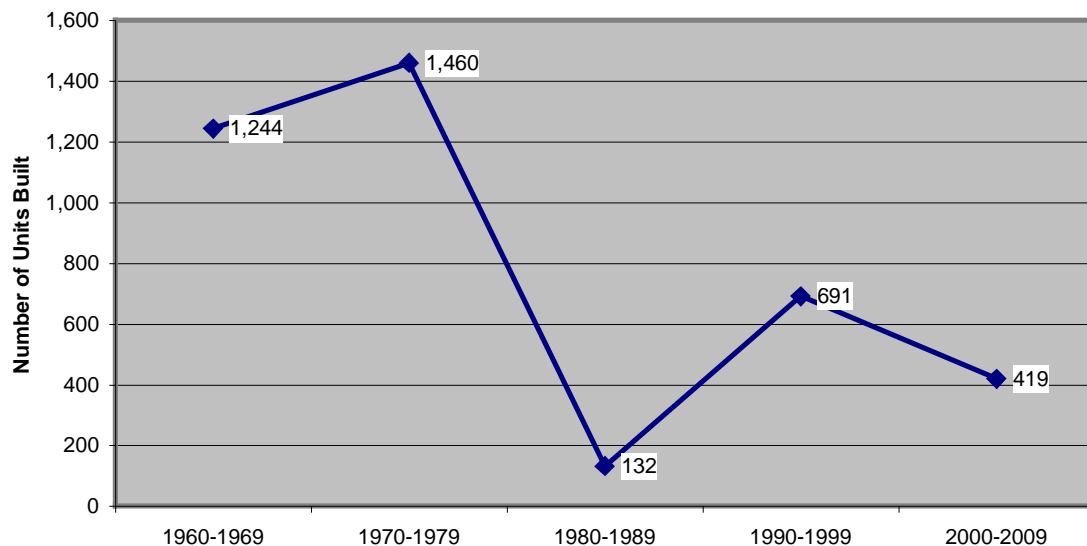
Change in Age Distribution, 1980 to 2000



- *Northampton's median household income remains consistently lower than the County and State.* The 2000 median income in Northampton was lower than that for the County and State, \$41,808 versus \$46,098 and \$50,500, respectively. The 2007 and 2008 projections for the City, County and State, respectively, are \$45,760, \$53,170 and \$61,785, representing increases of 9.4%, 15.3%, and 22.4%, also respectively. Additionally, *estimates suggest that poverty levels have actually increased. Moreover, altogether there were 4,577 households with incomes within 80% AMI suggesting that at least in 2000, almost 40% of all households may have qualified for housing assistance based on their income, without consideration for financial assets.*
- *Approximately half of Northampton's housing stock is owner-occupied.* In 2000, 53.5% of Northampton's housing stock was owner-occupied with 46.5% of units being renter-occupied while the County and the State had 35% and 38.3% renter-occupancy levels, respectively. The 2007 and 2008 estimates point to reductions in rental-occupancy, suggesting that new housing growth has focused on owner-occupied units and the likely conversion of some rental units to owner-occupancy, confirmed by building permit data.
- *Addition of new housing units has been steady but modest.* Figure 1-3 shows how many units were built by decade since 1960, indicating continued but much slower housing growth over time. *This housing growth has occurred despite some small declines in population, reflecting increasing numbers of smaller households.*

Figure 1-3

Housing Growth 1960 to 2009



- *Housing prices remain high despite a poor economic climate and declining sales.* In regard to 2000 median house prices, Northampton had somewhat higher market values than the County – a median price of \$144,600 versus \$142,400, but lower than the State at \$185,700. Since that time housing prices soared and then more recently softened somewhat with lower prices and

fewer sales. More recent data from The Warren Group indicate that the median sales price of a single-family home as of January 2010 was \$260,750, up somewhat from \$250,000 in 2008. While prices and interest rates have been declining, making housing more affordable, the ability to obtain financing has become increasingly more challenging providing a significant constraint to those entering the housing market.

In regard to the rental market, in 2000 about 60% of the City's rental units were renting in the \$500 to \$1,000 price range, the median at \$647.² Since then rental prices have increased significantly and the lowest rent advertised on Craigslist in September 2009 was \$850 for a one-bedroom unit. Rentals also typically require first and last month's rent up-front plus a security deposit and broker's fee. A strong rental housing market has pushed going rents well beyond the means of many, including most low- and moderate-income individuals and families.

Northampton remains a vibrant community and continues to be a desirable place to move to, to work in, and to raise our children. The City is also well ahead of most communities in the Commonwealth in regard to providing affordable housing. However, based on the affordability gap that has been growing, largely outside of the City's control due to demographic and economic conditions, the City cannot rest on its laurels. This Housing Needs Assessment and Strategic Housing Plan provide tools for the City to make progress on reducing the affordability gap. Through a range of strategies including zoning changes, partnerships with developers and service providers, and subsidies, the City can play a meaningful role in promoting housing options that match people to appropriately priced and sized units – producing housing that reflects local needs!

1.3 Priority Housing Needs

Based on input from a wide variety of sources,³ the following priority housing needs have been identified that reflect the continuum of housing opportunities that should be provided:

Homelessness Prevention

The Tenancy Preservation Program, special federal funding such as the Homelessness Prevention and Rapid Re-housing Program (HPRP), tenant and landlord mediation efforts, regional networks for services coordination, and other housing stabilization programs are highly effective ways to preserve housing for those at-risk of homelessness. As the *All Roads Lead Home Plan* states, "Prevention must be a key part of our strategy, because it is humane, cost-effective, and critical to ending homelessness".⁴

Shelters and Rapid Re-housing

For those who become homeless, Northampton does have a number of emergency shelter and transitional housing programs that are listed in Section 3.2.6. These emergency shelters have reflected a crisis management response to helping the homeless, saving many lives. Once in the shelter system, agencies and organization have focused on providing services and programs to

² It is also important to note that the census rents also include subsidized units.

³ These sources included the visioning analysis during the preparation of the Sustainable Northampton Comprehensive Plan, the development of Northampton Vision 2020, the Grow Smart Northampton Plan, Executive Order 418 certification process, Three County Continuum of Care Goals and Objectives, HUD Consolidated Plan, consultations with service providers, feedback from public forums, and other special meetings and interviews.

⁴ "All Roads Lead Home: The Pioneer Valley's Plan to End Homelessness", supported by the cities of Holyoke, Northampton and Springfield, MA, and funding from One Family, Inc. for the Pioneer Valley Committee to End Homelessness (PVCEH), February 2008, page 2.

move these individuals and families into permanent housing. Northampton's HUD Consolidated Plan indicates that wait lists for the City's shelters continue to grow, however.

During recent years there has been a shift to preventing homelessness by quickly providing housing with wrap-around services as needed through a rapid response Housing First model. This approach has proven effective in other places around the country. "Housing First" is an alternative to the current emergency and transitional shelter system of providing temporary housing for the homeless and is premised on the belief that vulnerable and at-risk homeless families and individuals are more responsive to interventions and social service support *after they are in their own housing*, rather than while living in temporary facilities.

Producing and Preserving Affordable Housing

Finally, the City needs to focus on increasing the supply of affordable housing at a variety of levels of affordability, including both rental and homeownership options. Many of the existing affordable units are included in the Subsidized Housing Inventory summarized in Table 3-35 or rented on the private market through rental subsidy programs that make up the difference between a fair market rent and what a low- or moderate-income household can afford. It should be noted, however, that those with Section 8 housing vouchers, or with rental subsidies from other comparable programs, have experienced difficulties in finding suitable housing in the private market because of high rents.

The City's Consolidated Plan presents housing needs related to increasing the supply of affordable, permanent housing⁵ units for various levels of affordability that include the following, with some minor changes:

- *Rental housing for individuals*

There is a clear need for enhanced SRO units or one-bedroom units for those with lower-paying jobs who are encountering serious difficulty finding housing that they can afford in Northampton. *A priority will be providing housing for those whose incomes do not exceed \$1,000 per month, what the federal government calls living at about the 100% poverty level.*

The Northampton Housing Partnership has undertaken a series of interviews with housing providers and those serving the homeless since 2005, including a meeting on June 23, 2009, as important input into the Housing Needs Assessment. Through these discussions, new Single Room Occupancy (SRO), providing single rooms for individuals, and the Safe Haven Program, offering housing for the chronically homeless mentally ill, were identified to be most needed for those homeless, formerly homeless or those very low-income individuals in search of more affordable and appropriate units in Northampton.

- *Rental housing for families*

There is also a significant need to house families, *particularly those earning within the poverty level*,⁶ as well as growing numbers of smaller households that are increasingly including single

⁵ "Permanent housing" refers to units that are created for year-round use where the terms of occupancy are granted through a lease, in the case of rental housing, or a title/deed, in the case of homeownership.

parents with children as well as unrelated individuals. There are substantial numbers of two-person households with unmet housing needs as such households are now estimated to comprise almost 4,000 households, or about one-third of all households, yet smaller housing units are in short supply. The Housing Authority also has substantial numbers of families on their wait list for larger units, indicating a further need for larger subsidized rental units.

- *Preservation of the existing affordable rental stock*
The preservation of existing affordable rental units is essential to maintaining an affordable housing stock well into the future. This rental housing, including both units that are subsidized and in the private housing market, is more cost effective to rehabilitate and maintain than to build new. Moreover, efforts are needed to maintain affordability restrictions on subsidized housing in perpetuity to the greatest extent possible, so as not to lose affordability based on expiring use restrictions.
- *Housing rehabilitation resources*
Many low- and moderate- income homeowners lack sufficient resources to properly maintain their homes and address substandard housing conditions. Improvements should incorporate modifications to improve handicapped accessibility and eliminate lead-based paint in addition to housing code violations.
- *Affordable homeownership for families*
Market conditions have placed the purchase of homes beyond the financial means of low- and moderate-income households, and families need opportunities to “buy up” as their families grow. Infill development and the redevelopment/reuse of existing properties in partnership with non-profit organizations and private builders offer the best options for increasing affordable homeownership opportunities in Northampton.
- *Housing for at risk and special needs populations*
Housing should continue to be developed to serve those who are at risk of homelessness and/or have special needs that require supportive services. These units are needed to provide stable and affordable opportunities for those transitioning out of shelters or special programs as well as rapid response units as part of the Housing First approach to ending homelessness.
- *Look beyond traditional housing models*
The Sustainable Northampton Comprehensive Plan suggests that the City look beyond more traditional models of housing development, including affordable housing, to promote alternative living options to meet a variety of local needs such as live/work space for artists.

1.4 Summary of Housing Strategies

This Plan provides important guidance on opportunities for strategically investing available local funding for housing to best serve the range of local needs and leverage other public and private financing.

⁶ The 2009 poverty guidelines are \$10,830 for an individual, \$14,570 for a 2-person household, \$18,310 for 3 persons, \$22,050 for 4 persons, \$25,790 for 5 persons, \$29,530 for 6 persons, \$33,270 for 7 persons, and \$37,010 for 8 persons with an adjustment of \$3,740 for each additional person for families with more than 8 persons.

Within the context of other planning documents, priority needs and goals, existing resources, and affordability requirements, the following housing strategies are proposed as part of an affordable housing toolbox for the City of Northampton. *It is important to note that these strategies are presented as a package for the City to consider, prioritize, and process, each through the appropriate regulatory channels.*

The strategies address the three (3) major housing goals included in the Sustainable Northampton Comprehensive Plan (SNCP) as follows:

1. Create new housing along range of income levels – ownership and rentals

Organizational strategies

- Conduct community education
- Capitalize the Affordable Housing Trust Fund
- Monitor and report on the implementation of this Plan
- Formalize the affordable housing review process
- Affirmatively promote fair housing

Regulatory strategies

- Adopt inclusionary zoning
- Ease restrictions on development near city and village centers
- Promote mixed-use development in more locations
- Revise cluster zoning provisions
- Modify accessory apartment requirements
- Rewrite Transfer of Development Rights ordinance
- Revise parking requirements
- Explore form-based zoning
- Establish a new mixed-use innovations zone

New housing production strategies

- Continue to pursue nontraditional housing models that respond to diverse needs
- Fund small infill development
- Establish a subsidy guarantee program
- Make suitable public property available for affordable housing
- Provide down payment and closing cost assistance

2. Preserve and sustain existing affordable housing

Promote the affordability and sustainability of existing housing

- Monitor and maintain Subsidized Housing Inventory (SHI) units
- Convert existing housing to affordability
- Rehabilitate the Grove Street Inn
- Promote sustainable energy conservation measures

Help preserve affordable market units

- Sustain and expand housing rehab programs
- Sustain and improve existing SRO units
- Create a climate of public support for landlords

3. **Work to end homelessness**

Continue active support for local and regional efforts to end homelessness

Continue to facilitate and support the Three County Continuum of Care
Continue to participate in Western Massachusetts Network to End Homelessness (WMNEH)
Support homelessness prevention programs
Support Housing First efforts
Work on economic development, income and poverty issues

It should be noted that the intent of this Plan is not only to continue to surpass the state's 10% goal under Chapter 40B, but more importantly to serve the range of local needs as articulated in the three (3) housing goals and priority housing needs listed above. Consequently, there are instances where housing initiatives might be promoted to meet these needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory (examples potentially include the promotion of accessory apartments or mixed-income housing that includes "community housing" or "workforce housing" units)⁷. A more detailed summary of housing strategies is available in Appendix 6.

1.5 Housing Production Goals

This Housing Plan is prepared according to the requirements of the state's Housing Production Program should the City decide to submit it to the Massachusetts Department of Housing and Community Development (DHCD) for approval under those guidelines. Many communities that have less than 10% of their housing stocks defined as affordable by the state have opted to participate in the Housing Production Program. This allows them to not only prepare a plan that addresses their specific housing needs, but also potentially to be in a position to deny unwanted comprehensive permit projects should the municipality be able to meet annual production goals.

Plans approved under the Housing Production Program must include a number of key components. In addition to a comprehensive Housing Needs Assessment, the locality must describe, through various housing strategies, how it plans to meet annual production goals equivalent to 0.50% of a community's year-round housing stock, at least 61 affordable units in the case of Northampton. This annual goal is likely to increase to about 63 units⁸ after the next decennial census count becomes available and future housing growth will continue to drive-up the 10% goal as well as annual production goals.⁹

Because Northampton currently has more than 10% of its year-round housing defined as affordable under state guidelines and has been more than open to working with developers on Chapter 40B comprehensive permits, the incentives for participating in Housing Production are significantly less compelling. Nevertheless, Housing Production requirements establish a reasonable framework for preparing a Housing Plan and have been adopted through this document, providing both a Five-Year and Ten-Year program for promoting affordable housing, including workforce housing.

⁷ Community housing generally refers to units directed to those earning between 80% and 100% AMI, whereas workforce housing refers to units directed to those earning between 80% and 120% AMI, but still priced out of the private housing market.

⁸ This is calculated by applying the same level of seasonal or occasional units in 2000 (1% or 128 units) to the number of total housing units in 2010 of 12,728 units (based on 2010 Census Redistricting data), then subtracting 128 units from 12,728 and then taking .5% of that amount (12,728-128 units = 12,600 x 0.5% or 63 units).

⁹ It should be noted, however, that all units in Chapter 40B rental developments count as part of annual production goals and the 10% state goal as opposed to only 25% for homeownership projects.

1.6 Conclusion

As noted earlier, this document includes two major components – a Housing Needs Assessment and Strategic Housing Plan. The Housing Needs Assessment examines housing in Northampton, particularly housing affordability, to present a snapshot of current conditions and trends as well as projected future conditions. It also looks at the gaps between what housing is available to local residents and what is required to meet community needs, including a review of local, regional and state resources to support the creation of new affordable housing units. The Housing Needs Assessment in fact reflects a recommendation included in the Sustainable Northampton Comprehensive Plan to identify market pressures and conditions that restrict affordable housing.

The second part of this planning effort, the Strategic Housing Plan, addresses additional recommendations in the Comprehensive Plan to increase the production of affordable housing, including zoning incentives and gap financing. This Housing Plan presents a proactive housing agenda of City-sponsored initiatives based on documented local needs.

Due to the rising costs of homeownership, including escalating costs associated with taxes, insurance and utilities, some residents are finding it increasingly difficult to afford to remain in Northampton. Children who grew up in the community are now facing the possibility that they may not be able to return to raise their own families locally. Long-term residents, especially the elderly, are finding themselves less able to maintain their homes and keep up with increased expenses, but are pressed to find alternative housing that better meets their current life styles. Families are finding it more difficult to “buy up,” purchasing larger homes as their families grow. Town employees are increasingly hard pressed to find housing that is affordable in Northampton. Those who are particularly burdened by the high housing prices are lower-wage workers or the disabled who are squeezed-out of the private housing market and are ever more reliant on subsidized housing. This Plan is meant to help Northampton chart its course in providing more affordable housing options to meet these diverse local needs.

The convergence of demographic and housing trends – increasing numbers of households, lower incomes, increasing poverty, rising prices, lower housing production, declining supply of rentals, difficulty in obtaining financing, large up-front cash requirements for homeownership and rentals – all point to a growing affordability gap! This gap is reinforced by 2000 census data that indicated about 3,000 households or one-quarter of all Northampton households were living in housing that was by common definition beyond their means and unaffordable as they were paying more than 30% of their income on housing. If these demographic and housing trends are left to evolve unchecked, Northampton will lose ground on its ability to be a place where families across a full range of economic and social strata can call home.

2. INTRODUCTION

2.1. An Introduction to the City of Northampton

Northampton is a culturally and economically diverse community located within the heart of the five-college area of the Pioneer Valley in Western Massachusetts. Home to Smith College, Northampton also serves as the county seat for Hampshire County. It is located at the intersection of a major east-west state highway, Route 9, which links Amherst and the University of Massachusetts with Northampton and the hilltowns to the west. Northampton is also located in the north-south corridor of Interstate 91, bordered by Easthampton to the south, Westhampton to the west, Williamsburg and Hatfield to the north, and separated from Hadley by the Connecticut River to the east.

The City of Northampton was settled in 1654 and now includes almost 36 square miles. The City is comprised of a lively downtown and several village centers, which are focal points for outlying residential neighborhoods. The community has a diverse economic base consisting of a strong retail and commercial sector as well as a manufacturing sector that includes a mix of traditional manufacturers and innovative industries.

The vibrant small city atmosphere in Northampton is enhanced by numerous cultural attractions and natural resources including the only municipally owned theater in the Commonwealth, two hospitals (Cooley Dickinson and a VA Medical Center), Smith College, the Clarke School for the Deaf, the Connecticut River, rich agricultural and conservation land as well as many active and passive recreational opportunities. The city has also been strongly influenced by nearby Amherst College, Hampshire College, Mount Holyoke College and the University of Massachusetts as part of the five-college system in the region, promoting a more cosmopolitan community, and attracting many young people to the community. In fact, the City has been described as being an “intentional” place to live, drawing residents who are particularly interested in living in a place with an emphasis on environmentalism and wellness, a strong urban core with easy access to rural recreational amenities and a stunning physical landscape, an active gay and lesbian community, historic architecture, particularly Victorians, and a strong cultural heritage.

While these impressive cultural, economic and natural assets promote a rich quality of life, Northampton is nevertheless confronted with substantial challenges. These include

- The City been losing some population, while housing, despite the current economic slump, is on average expensive and beyond the means of most low- and moderate-income households. Moreover, housing costs are increasing given higher utility and tax bills as well as more expensive terms and conditions for accessing mortgage financing (20% down payments) or renting a unit (first and last month's rent, security deposit, broker fees).
- There are homeless individuals and families that need safe, decent and affordable housing, and seniors on fixed incomes who have limited housing options in the community.
- While college students add to the vitality of the community, they also put pressure on the local housing market and make finding rental units more challenging for long-term, year-round residents.

- The VA Hospital is an important local medical service provider, but it also draws to the area those with substantial health needs –including substance abuse problems – who require additional levels of service support.
- Northampton is believed to be particularly attractive to homeless youth.
- The former Northampton State Hospital has provided a wonderful opportunity for mixed-use and mixed-income development, including affordable housing, but its initial closing presented significant challenges, remnants of which the community is still confronting and trying to resolve.
- In recent decades, the strong housing market has encouraged owners to convert properties to condominiums, thus eroding the supply of rental units, a process only recently curtailed due to a struggling condo market.
- While more than 10% of the City's housing stock is defined as affordable according to the state's Chapter 40B definition, Northampton is likely to lose some of these units in the future due to expiring affordability restrictions.

2.2. Definition of Affordable Housing

Federal and State programs offer a number of different definitions of affordable housing. For example, HUD generally identifies units as affordable if gross rent (including costs of utilities borne by the tenant) is no more than 30% of a household's income (with a small deduction for each dependent, for child care, for extraordinary medical expenses, etc.) or if the carrying costs of purchasing a home (mortgage, homeowners association fees, property taxes and insurance) are not more than typically 30% of income. If households are paying more than these amounts, they are described as experiencing housing affordability problems; and if they are paying 50% or more for housing, they have severe housing affordability problems and heavy cost burdens.

Table 2-1
2010 Income Levels for
Affordable Housing in the Springfield Area

# Persons in Household	30% of Median Income	50% of Median Income	80% of Median Income	120% of Median Income
1	\$16,450	\$27,400	\$43,800	\$65,760
2	18,800	31,300	50,050	75,120
3	21,150	35,200	56,300	84,480
4	23,450	39,100	62,550	93,840
5	25,350	42,250	67,600	101,400
6	27,250	45,400	72,600	108,960
7	29,100	48,500	77,600	116,400
8	31,100	51,650	82,600	123,960

2010 Median Household Income for the Springfield Metropolitan Statistical Area (MSA) = \$67,400

Affordable housing can also be defined according to percentages of median income for the area.¹⁰ Housing subsidy programs can be targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to households with incomes at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development (\$21,150 for a family of three for the Springfield area) and very low-income is defined as households with incomes less

¹⁰ It should be noted that the Springfield SMSA data does not accurately reflect income/housing costs for Northampton due to higher housing costs than Springfield's and other nearby cities.

than 50% of area median income (\$35,200 for a family of three). Low- and moderate-income generally refers to the range between 50% and 80% of area median income (\$56,300 for a family of three at the 80% level). These income levels are summarized in Table 2-1.

The state established legislation for promoting affordable housing under Chapter 774 of the Acts of 1969, creating the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B).¹¹ This legislation allows developers to override local zoning if the project meets certain requirements and the municipality has less than 10% of its year-round housing stock defined as affordable under the 40B Subsidized Housing Inventory (SHI). In calculating a community's progress toward the 10% Chapter 40B goal, the state counts a housing unit as affordable if it is created by state or federal programs that support low- and moderate-income households earning at or below 80% of area median income. Specifically, all SHI units must meet the following criteria:

1. Subsidized by an eligible state or federal program.
2. Subject to a long-term deed restriction limiting occupancy to income eligible households for a specified period of time (at least 30 years or longer for newly created affordable units, and at least 15 years for rehabilitated units).
3. Subject to an Affirmative Fair Housing Marketing Plan.

Based on current Massachusetts Department of Housing and Community Development data on Northampton's supply of affordable housing included in the state's Subsidized Housing Inventory, based on 2000 census figures, the City had 12,282 year-round housing units of which 1,452 are currently counted by the state as affordable, representing 11.8% of the year-round housing stock.¹² Planned development should push Northampton beyond the 12% threshold.

Additionally, most state-supported housing assistance programs are targeted to households earning at this same level, at or below 80% of area median income, however, others, particularly rental programs, are directed to those earning at lower income thresholds. For example, the Low Income Housing Tax Credit Program subsidizes rental units targeted to households earning up to 60% of median income. First-time homebuyer programs typically apply income limits of up to 80% of area median income. It is worth noting that according to the 2000 census, 4,577 households or 38.5% of Northampton's total households would have been income-eligible for affordable housing using the 80% of area median income criterion without consideration of financial assets.

The Community Preservation Act allows Community Preservation funding to be directed to those within a somewhat higher income range – 100% of area median income – now commonly referred to as “community housing”. Additionally, some housing developments incorporate several income tiers. For example, one project could combine units for those earning at or below 80% of area median income, moderate-income “workforce” units for those earning between 80% and 120% of median income (see income levels in Table 2-1), and even some market rate units to help cross-subsidize the more

¹¹ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

¹² The year-round unit is calculated by subtracting vacant units, including seasonal or occasional units, from the number of total housing units.

affordable ones. A rental project might include a couple of tiers below the 80% level in addition to workforce and/or market rate units. It should be noted, however, that those units that involve occupants with incomes higher than 80% of area median income, while still serving local housing needs, will not count as part of the Subsidized Housing Inventory unless they are part of a Chapter 40B rental development where 100% of the units would qualify for inclusion in the SHI if at least 25% meet 40B guidelines.

The City is well over the 10% state affordability goal at this time, at 11.8%, but housing growth has increased the housing stock to 12,728 units according to the 2010 Census Redistricting data. If the percentage of year-round units remains about the same as the 2000 census, at about 1%, then Northampton's current inventory of affordable units will still surpass the 10% state target, at about 11.5%. However, the pending loss of 207 affordable units at Hathaway Farms would bring Northampton's SHI percentage down to 9.9% without the production of additional affordable units and assuming no significant loss of additional SHI units. Pipeline units of an estimated 67 units should push Northampton only slightly over the 10% affordability goal to 10.4%.

3. HOUSING CHARACTERISTICS AND NEEDS

3.1 Demographic Profile

It is important to closely examine social and economic characteristics, particularly past and future trends, in order to understand the composition of the population and how it relates to housing needs. Northampton's Office of Planning and Development has identified five (5) significant demographic trends that over the past half-century have had a role in shaping the city. These are:

1. Significant decrease in the population living in group quarters, a consequence of the closing of the Northampton State Hospital. The population of those living in group quarters has stabilized and is unlikely to increase significantly in the future.
2. Population stability since the mid-20th Century, decreasing slightly over the past 20 years.
3. Substantial increase in smaller families, more non-family households and more single-person households.
4. Significant increase in the median age and a decrease in those ages 24 to 45.
5. Fewer children, and thus a smaller school-aged population.

Data on many of these important trends is summarized in Table 3-1, which highlights the continued decrease of those living in group quarters, from 21% in 1960 to 12% in 2000, with only a small estimated increase to 13% in 2007. The Table also presents the dramatic decrease in the average number of persons per household or housing unit, from 3.25 persons in 1950 to 2.14 in 2000, estimated to remain the same by 2007. *Consequently, Northampton has an increasing need to serve smaller households including single persons.*

**Table 3-1
Population Changes
1950 Through 2007**

	1950	1960	1970	1980	1990	2000	2007
Population	29,063	30,008	29,664	29,286	29,289	28,978	28,411
Household Population	--	23,692 (79.0%)	24,133 (81.4%)	25,007 (85.4%)	25,442 (86.9%)	25,376 (87.6%)	24,680 (86.9%)
Group Quarters	--	6,316 (21.0%)	5,511 (18.6%)	4,279 (14.6%)	3,867 (13.2%)	3,602 (12.4%)	3,731 (13.1%)
Ave. Household Size	3.25	3.00	2.82	2.86	2.28	2.14	2.14

Sources: US. Decennial census and the Census Bureau's American Community Survey.

Additional demographic data will be presented in Section 3 that will have other effects on social and economic issues and future planning for new housing including but not limited to the following:

- What are the relative increases and decreases of various age groups and the ramifications for greater housing choices?
- What changes in income levels have occurred and how does this relate to housing affordability?
- What particular areas of the city have higher levels of need, both in terms of their residents and housing stock?
- What are the variations in household size and types of households that suggest unmet or greater housing needs?
- What proportion of the population is disabled or has other special needs that suggest the need for supportive services?

These and other social and economic issues are discussed in the following section.

3.1.1 Population and Types of Households – Stable population but more households

As noted above, Northampton's population has been relatively stable for 60 years and remains so despite recent mild declines, decreasing by 1% since 1980, from 29,286 to 28,978 residents by 2000 as documented in Tables 3-1 and 3-2. This small decrease has continued as the 2010 population was 28,549 according to 2010 Census Redistricting data and projected to be only somewhat less at 28,031 by 2014, noted in Table 3-3, demonstrating continued relative population stability.¹³ Northampton's Office of Planning and Development projects that the city's population will be about 28,500 by 2030, plus or minus 1,500, predicting continued population stability well into the future. Projections from the Massachusetts Institute for Social and Economic Research (MISER) predict some small increases in the population with up to 29,136 residents by 2020.

Despite the more recent subtle population loss, the number of households increased by 16% from 10,277 in 1980 to 11,880 in 2000 while the average household size decreased from 2.45 person to 2.14 persons. This is correlated to the increasing number of typically smaller, non-family households¹⁴, which grew from 3,980 in 1980 to 6,002 in 2000, comprising about 40% to 50% of all households in Northampton.

**Table 3-2
Key Demographic Characteristics, 1980-2000**

	1980		1990		2000	
	#	%	#	%	#	%
Total Population	29,286	100.0	28,289	100.0	28,978	100.0
Total Households	10,227	100.0	11,164	100.0	11,880	100.0
Family Households**	6,247	61.1	6,019	53.9	5,878	49.5
Non-family Households*	3,980	38.9	5,145	46.1	6,002	50.5
Female Headed Families *	1,095	10.7	1,176	10.5	1,200	10.1
Average Household Size	2.45 persons		2.28 persons		2.14 persons	

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 1

* Percent of all households

Projections indicate that the number of households will continue to increase somewhat despite some minor fall-off in population with the proportion of families and non-families each remaining about half of all households through 2014. The number of female-headed households with children has remained about the same since 1980 at about 10% of all households.

¹³ Nielsen Claritas, Inc., 2009.

¹⁴ Includes individuals and unrelated household members. This census definition actually does not include many of the city's families that are headed by same sex couples.

Table 3-3
Types of Households
2000, 2009 Estimates and 2014 Projections

	2000 Census	2009 Estimate	2014 Projection
Population	28,978	28,299	28,031
Percent Change		-2.34%	-0.95%
Households	11,880	12,012	12,064
Percent Change		1.11%	0.43%
Families	5,878	5,926	5,944
Percent Change		0.82%	0.30%
Non-Family Households	6,002	6,086	6,120
Percent Change		1.40%	0.56%
Housing Units	12,405	12,573	12,625
Percent Change		1.35%	0.41%
Group Quarters Population	3,602	3,445	3,371
Percent Change		-4.36%	-2.15%
Average Household Size	2.14	2.07	2.04
Percent Change		-3.13%	-1.21%

Source: Nielsen Claritas, Inc. 2009.

Table 3-4 examines the types of households by household size. The average household size of 2.14 people per dwelling unit in 2000 is projected to decrease still to 2.04 by 2014, driven by decreases in family size, the numbers of children and more “traditional” families, and increases in “child-free” and “child-delayed” families, especially increases in empty nesters and senior and frail populations. Single-person households comprised a substantial portion of the population, about 37% of all households and 74% of non-family households in 2000, and are projected to continue to increase in number and in proportion to all households. Certainly these numbers take into account the population housed in group quarters including about 2,300 Smith College students as well as about 1,100 institutionalized individuals living in correctional institutions (245), nursing homes (675), and the VA Hospital (112). Nevertheless, there still remain approximately another 1,000 single-person households who rely on the existing housing stock, as they are not in institutional settings.

It should also be noted that half of all residents over 65 lived alone. Moreover, almost half of the households with children were headed by one parent (82% of these involved unmarried parents or single mothers) suggesting a compelling need for affordable family housing for families with only one income. This data suggests a pressing need for a greater number of smaller units to accommodate a growing population of single-person households.

The need for smaller subsidized units was confirmed by a meeting of housing providers on June 23, 2009, whose services are primarily directed to serving very low-income populations, including the homeless or those at risk of homelessness. Participants suggested that there was a substantial need for

enhanced SRO (ESRO)¹⁵ units for the chronically homeless to transition into, for those leaving correctional institutions, for those graduating from foster care, and low wage earning adults. These groups have encountered increasing difficulties in finding safe, decent and affordable housing in Northampton. Additionally, many of these individuals need supportive services that will enable them to live independently and become contributing members of the community at large.

There are also substantial numbers of two-person households with unmet housing needs. There is an estimated 4,000 such households, comprising about one-third of all households; yet smaller housing units are in short supply (see Table 3-4)

Table 3-4
Types of Households by Size
2000, 2009 Estimates and 2014 Projections

Households by Type and Size*	2000		2009		2014	
Non-family Households	6,002		6,086		6,120	
1-person household	4,431	73.8%	4,757	78.2%	4,891	79.9%
2-person household	1,266	21.1%	1,076	17.7%	1,000	16.3%
3-person household	206	3.4%	176	2.9%	160	2.6%
4-person household	78	1.3%	59	0.1%	51	0.8%
5-person household	11	0.2%	10	0.2%	11	0.2%
6-person household	7	0.1%	7	0.1%	6	0.1%
7 or more person household	3	0.05%	1	0.02%	1	0.02%
Family Households	5,878		5,926		5,944	
2-person household	2,709	46.1%	2,853	48.1%	2,904	48.9%
3-person household	1,463	24.9%	1,519	25.6%	1,535	25.8%
4-person household	1,169	19.9%	1,094	18.5%	1,067	18.0%
5-person household	398	6.8%	350	5.9%	337	5.7%
6-person household	105	1.8%	91	1.5%	87	1.5%
7 or more person household	34	0.6%	19	0.32%	14	0.2%

Source: Nielsen Claritas, Inc. 2009.

3.1.2 Race and Immigrant Information – Small but growing minority population

Table 3-5 and Figure 3-1 both present data on the racial distribution of the population in Northampton. While the number and percentage of minority residents has increased significantly, from 950 residents in 1980 to 2,895 in 2000 and 3,524 by 2010,¹⁶ minority ethnic residents comprised only 12.3% of the population in 2010, a relatively low level in comparison to other cities in Massachusetts. About half of the minority residents in 2010 described themselves as Latino or Hispanic. Additionally, the 2000 census indicates that 1,870 residents or 6.5% of the population were born outside of the United States.

¹⁵ Enhanced SRO (ESRO) units include a kitchen and bath in each unit as opposed to shared facilities in more of the traditional SRO models.

¹⁶ 2010 figure based on 2010 Census Redistricting data.

**Table 3-5
Racial and Immigrant Information, 1980 – 2010**

	1980		1990		2000		2010	
	#	%	#	%	#	%	#	%
Minority Pop.	950	3.2	2,058	7.0	2,895	10.0	3,524	12.3
Black	310	1.1	522	1.8	602	2.1	776	2.7
Asian	184	0.6	848	2.9	906	3.1	1,162	4.1
Latino **	557	1.9	1,201	4.1	1,518	5.2	1,928	6.8
Foreign Born	1,507	5.1	1,878	6.4	1,870	6.5	--	--
Entered US in past 10 years	--	--	823	2.8	742	2.6	--	--

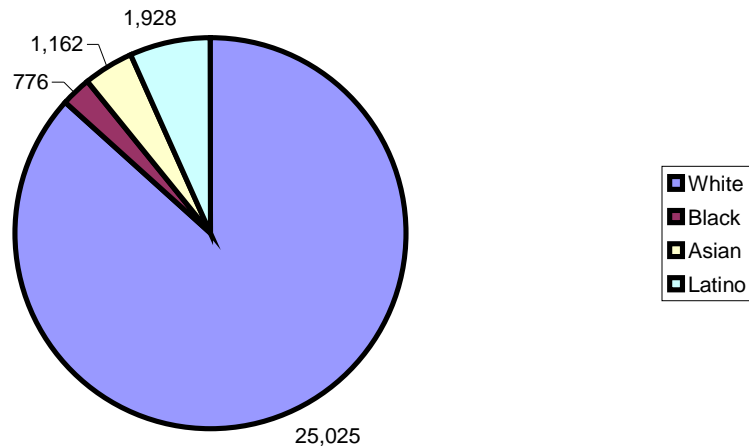
Sources: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 3

2010 Census Redistricting Data

* All non-White classifications ** Latino or Hispanic of any race. – Indicates data not available

Figure 3-1

Racial Distribution



3.1.3 Age Distribution – Decreasing younger population but growing numbers of middle-aged residents

Figure 1-2 (in the Executive Summary) visually presents changes in age categories from 1980 to 2000, demonstrating a number of important demographic trends. Clearly the numbers of children declined, and while there is a substantial population of young adults age 21 to 34 in Northampton, including Smith College students, their numbers have been on the decline as well. On the other hand, there were substantial increases in more middle-aged residents age 35 to 54, a decline since 1980 in the numbers of those aged 55 to 64 and relative stability (between 1980 to 2000) of those aged 65 or older.

Table 3-6 summarizes 1990 and 2000 census data as well as 2009 estimates and projected 2014 information on the age distribution of the population. While the population is projected to decrease by only 3.3% between 2000 and 2014, the percentage of those children under the age of 18 is expected to decrease by 24.3%, a substantial decline with ramifications for school enrollments and types of housing units to be built in the future. *In fact, based on 2010 Census Redistricting data, the number and percentage of those under 18 has continued to decrease from 4,917 or 17% in 2000 to 4,616 or 16.2% by 2010.*

Table 3-7 demonstrates variations in household size and number of school-age children by the type of dwelling, suggesting that urban areas (whether single-family and multi-family housing) contain the smallest population and fewest number of school-age children per dwelling unit. Suburban single-family homes contain the largest population and largest number of school-age children per dwelling unit. In fact, the Office of Planning and Development has calculated that new suburban-style housing would have to be assessed at \$633,000 for the taxes to cover the basic costs of City services, assuming only one child.¹⁷ Consequently, there is a direct relationship between where housing will be built, and what, if any, children and types of households will live there.

Table 3-6
Age Distribution
1990, 2000, 2009 Estimates and 2014 Projections

	1990 Census	%	2000 Census	%	2009 Estimate	%	2014 Projection	%
Age	28,289		28,978		28,299		28,031	
Age 0 to 4	1,412	5.0%	1,189	4.1%	964	3.4%	930	3.3%
Age 5 to 9	1,467	5.2%	1,353	4.7%	1,058	3.7%	966	3.4%
Age 10 to 14	1,353	4.8%	1,522	5.2%	1,199	4.2%	1,063	3.8%
Age 15 to 17	847	3.0%	853	2.9%	832	2.9%	764	2.7%
<i>Subtotal</i>	<i>5,079</i>	<i>18.0%</i>	<i>4,917</i>	<i>17.0%</i>	<i>4,053</i>	<i>14.3%</i>	<i>3,723</i>	<i>13.3%</i>
Age 18 to 20	2,498	8.8%	2,251	7.8%	2,155	7.6%	2,014	7.2%
Age 21 to 24	2,656	9.4%	2,206	7.6%	1,932	6.8%	1,556	5.6%
Age 25 to 34	5,147	18.2%	4,098	14.1%	4,150	14.7%	4,308	15.4%
<i>Subtotal</i>	<i>10,301</i>	<i>36.4%</i>	<i>8,555</i>	<i>29.5%</i>	<i>8,237</i>	<i>29.1%</i>	<i>7,878</i>	<i>28.1%</i>
Age 35 to 44	4,982	17.6%	4,573	15.8%	3,628	12.8%	3,457	12.3%
Age 45 to 49	1,467	5.2%	2,487	8.6%	2,223	7.9%	1,914	6.8%
<i>Subtotal</i>	<i>6,449</i>	<i>22.8%</i>	<i>7,060</i>	<i>24.4%</i>	<i>5,851</i>	<i>20.7%</i>	<i>5,371</i>	<i>19.2%</i>
Age 50 to 54	1,067	3.8%	2,244	7.7%	2,369	8.4%	2,271	8.1%
Age 55 to 59	1,021	3.6%	1,261	4.4%	2,113	7.5%	2,288	8.2%

¹⁷ In new suburban house with one (1) school-aged child per house the total average cost = \$11,260
Less discounting for children at private schools
Less marginal costs less than average costs
Estimated municipal cost/new suburban house = \$8,000
Tax rate of \$12.64 per \$1,000 assessed value
\$633,000 house pays \$8,000 in taxes
BREAK EVEN point of \$633,000 house

	1990 Census	%	2000 Census	%	2009 Estimate	%	2014 Projection	%
Age 60 to 64	1,106	3.9%	948	3.3%	1,523	5.4%	1,859	6.6%
<i>Subtotal</i>	<i>3,194</i>	<i>11.3%</i>	<i>4,453</i>	<i>15.4%</i>	<i>6,005</i>	<i>21.2%</i>	<i>6,418</i>	<i>22.9%</i>
Age 65 to 74	2,192	7.8%	1,716	5.9%	1,845	6.5%	2,368	8.4%
Age 75 to 84	1,449	5.1%	1,595	5.5%	1,415	5.0%	1,314	4.7%
Age 85 and over	625	2.2%	682	2.4%	893	3.2%	959	3.4%
Age 16 and over	23,772	84.0%	24,628	85.0%	24,803	87.6%	24,821	88.6%
Age 18 and over	23,210	82.0%	24,061	83.0%	24,246	85.7%	24,308	86.7%
Age 21 and over	20,712	73.2%	21,810	75.3%	22,091	78.1%	22,294	79.5%
Age 65 and over	4,266	15.1%	3,993	13.8%	4,153	14.7%	4,641	16.6%
Median Age	30-34*		37.37		40.33		41.96	
Average Age	--		38.75		41.08		42.46	

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and Nielsen Claritas, Inc. 2009. * The census does not provide a median age figure for 1990. This range is from the Northampton Community Indicator Final Report prepared by the Pioneer Valley Planning Commission in March 2006.

Table 3-7
Average Household Size by Type of Dwelling, 2000

Areas of Northampton	Average Household Size	% School-Age Children
Citywide	2.14	10%
Single-family Homes/Single Units	2.47	--
Neighborhoods Near Downtown (primarily single-family homes)	1.86	9%
New Suburban Neighborhoods	3.39	29%
Older Suburban Neighborhoods	2.72	18%
Multi-family Homes	1.69	--
Smaller Affordable Housing Projects not including Public Housing or elderly housing	1.61	5%

Sources: U.S. Census Bureau, Census 2000 Summary File and City Census 2007 Partial Extract

Northampton and Hampshire County have had a significant proportion of young adults – those aged 20 to 34 – entering the labor force and forming their own households, approximately 24% for both the city and the county versus 21% for the state. However, those young adults between 18 and 34 are also expected to decrease in number and in proportion to the total population, decreasing by about 8% from 2000 to 2014 (although the 2007 census estimates suggest that this population has increased). Similarly the population of those aged 35 to 49 is projected to decrease even more, by 24%. On the other hand, the population of those 50 years of age and over is expected to increase substantially over the next few years with residents 50 to 64, the baby boomers, increasing by 44%, and those 65 and over increasing by 16% between 2000 and 2014. It is important to note that these figures represent projected data only. Data from the 2010 census should be available by 2011, and should enable us to confirm actual population trends.

There has also been a substantial increase in the median age, from 37.3 years in 2000 to a projected 41.96 years in 2014. The 2000 median age was only slightly higher than the state's at 36.5 years and the nation at 35.3 years as the aging of the population at large is a national trend.

Table 3-8 provides additional population projections for 2010 and 2020, with a distribution of ages, based on data compiled by the Massachusetts Institute for Social and Economic Research (MISER) of the University of Massachusetts. This data also suggests a relative stability of the population in the coming years, projecting a small increase in the number of residents, as opposed to the small decrease noted in Table 3-6. As predicted in Table 3-6, children and adolescents are expected to continue to decrease in number and in proportion to the total population. Also, those young adults and more middle-aged residents are predicted to decrease somewhat through 2020, while residents over age 55 are expected to increase substantially, representing the aging of the baby boomers.

Table 3-8
Age Distribution Projections for 2010 and 2020

Age Range	2000 Census	%	2010 Projection	%	2020 Projection	%
Less than age 5	1,189	4.1	1,288	4.4	1,212	4.2
Age 5 to 19	5,206	18.0	4,840	16.6	4,821	16.6
Age 20 to 34	7,077	24.4	6,701	23.0	6,493	22.3
Age 35 to 44	4,573	15.8	3,790	13.0	3,230	11.1
Age 45 to 54	4,731	16.3	4,420	15.2	3,671	12.6
Age 55 to 64	2,209	7.6	4,166	14.3	3,916	13.4
Age 65 to 74	1,716	5.9	1,893	6.5	3,679	12.6
Age 75 to 84	1,595	5.5	1,249	4.3	1,420	4.9
Age 85 and over	682	2.4	771	2.6	694	2.4
Total	28,978	100.0	29,118	100.0	29,136	100.0
Less than age 20	6,395	22.1	6,128	21.0	6,033	20.7
Age 65 and over	3,993	13.8	3,913	13.4	5,793	20.0

Source: U.S. Census Bureau 2000, Massachusetts Institute for Social and Economic Research, MISER, University of Massachusetts, 2003.

3.1.4 Income

Table 3-9 presents income data based on the 1979, 1989 and 1999 census counts, which is also visually presented in the chart in Figure 3-2. Incomes have increased substantially, especially between 1979 and 1989 when the median income more than doubled. From 1989 to 1999, the median income increased from \$31,097 to \$41,808, or roughly 34%. Those earning less than \$25,000 decreased from 78% of all households in 1979 to 28% in 1999. Households earning between \$25,000 and \$50,000 almost doubled between 1979 and 1989, from 18.8% to 36.7%, but then decreased again to 29.8% in 1999. Those with higher incomes, earning more than \$50,000, increased from only 331 households in 1979 or 3.2%, to 2,647 or 23.8% in 1989, to 4,988 or 42.1% in 1999. With time it would be expected that incomes would climb, but in comparison to the state Northampton had a lower portion of those earning more than \$75,000, 20.9% as opposed to 30.5% of all households statewide.

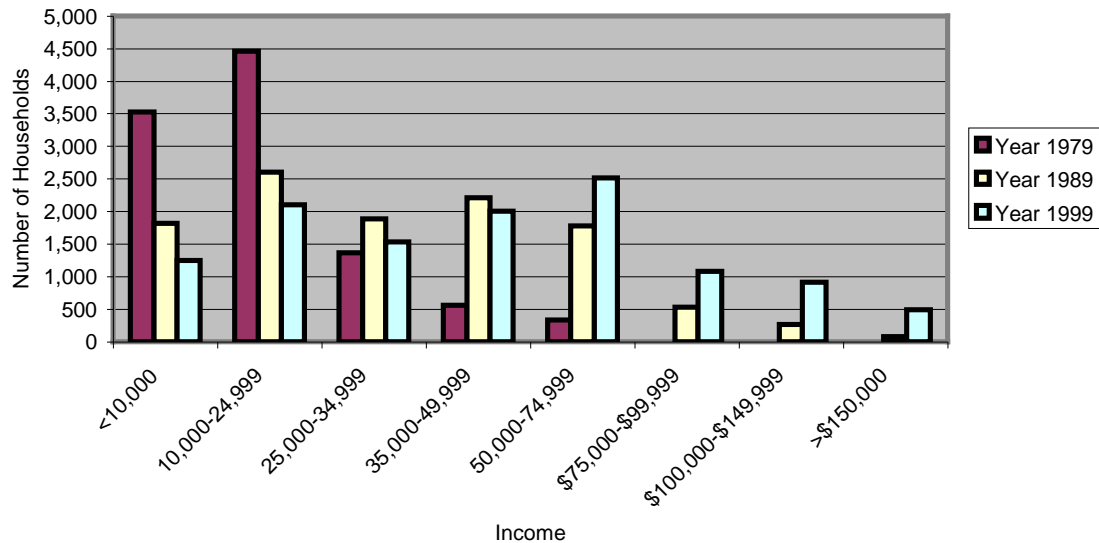
Table 3-9
Income Distribution by Household
1979-1999

Income Range	1979		1989		1999	
	#	%	#	%	#	%
Under \$10,000	3,522	34.4	1,815	16.3	1,246	10.5
10,000-24,999	4,457	43.5	2,604	23.4	2,103	17.7
25,000-34,999	1,364	13.3	1,880	16.9	1,526	12.9
35,000-49,999	561	5.5	2,205	19.8	2,000	16.9
50,000-74,999	331	3.2	1,780	16.0	2,517	21.2
75,000-99,999			530	4.8	1,076	9.1
100,000-149,999			258	2.3	910	7.7
150,000 +			79	0.7	485	4.1
Total	10,235	100.0	11,151	100.0	11,863	100.0
Median income	\$14,867		\$31,097		\$41,808	

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 3

Figure 3-2

Income Distribution by Census Year



It is also worth noting that the City's per capita income was \$24,022 in 2000, only somewhat less than the state average of \$25,952. However the income of multiracial residents was 62% of the City's average (\$14,952) and that of Hispanics was half of the City average (\$11,131).

While non-family households comprised half the population in 2000, the median income of families was substantially higher, \$56,844 versus \$29,818, a finding highly correlated with a greater prevalence of two worker households in families. Additionally, and not surprisingly, the median income level of homeowners is substantially higher than that of renters, in fact almost double, \$57,327 versus \$29,333 in 2000.

Comparisons of 2000 income levels for owners and renters are provided in Table 3-10. The majority of renters earned below \$35,000, while the majority of homeowners earned between \$35,000 and \$100,000. Almost 20% of the homeowners earned more than \$100,000 compared to only 3% of the renter households.

Table 3-10
Income Distribution by Owner and Renter Households, 2000

Income Range	Homeowners		Renters	
	#	%	#	%
Under \$10,000	241	3.8	1,027	18.6
10,000-24,999	731	11.5	1,361	24.6
25,000-34,999	639	10.1	907	16.4
35,000-49,999	1,046	16.5	944	17.1
50,000-74,999	1,581	24.9	912	16.5
75,000-99,999	882	13.9	218	4.0
100,000-149,999	791	12.4	130	2.4
150,000 +	444	7.0	26	0.5
Total	6,355	100.0	5,525	100.0
Median income	\$57,327		\$29,333	

Source: U.S. Census Bureau, Census 2000 Summary File 3

It would be expected that between 2000 and 2009, the proportion of those in the lower income levels would decrease and those in the higher levels would increase with inflation, a result borne out in Table 3-11.

Table 3-11
Projected Household Income
2000, 2009 and 2014

	2000 #	%	2009 Estimate	%	2014 Projections	%
Households by Household Income	11,863		12,012		12,064	
Less than \$15,000	2,062	17.38%	1,651	13.74%	1,510	12.52%
\$15,000 to \$24,999	1,287	10.85%	1,087	9.05%	1,048	8.69%
\$25,000 to \$34,999	1,526	12.86%	1,182	9.84%	1,053	8.73%
\$35,000 to \$49,999	2,000	16.86%	1,913	15.93%	1,727	14.32%
\$50,000 to \$74,999	2,517	21.22%	2,408	20.05%	2,368	19.63%
\$75,000 to \$99,999	1,076	9.07%	1,567	13.05%	1,628	13.49%
\$100,000 to \$149,999	910	7.67%	1,341	11.16%	1,621	13.44%
\$150,000 to \$249,999	366	3.09%	630	5.24%	808	6.70%
\$250,000 to \$499,999	98	0.83%	176	1.47%	215	1.78%
\$500,000 or more	21	0.18%	57	0.47%	86	0.71%
Average Household Income	\$56,335		\$67,949		\$74,954	
Median Household Income	\$42,924		\$51,796		\$57,327	

Source: Nielsen Claritas, Inc. 2009.

Those earning less than \$25,000 are estimated to have decreased to 22.8% by 2009 and then to decline a bit further to 21.2% by 2014. On the other end of the income scale, households earning more than \$75,000 increased from 20.8% in 2000 to 31.4% and then to 36.1% by 2014, a significant increase reflected in the increase in the average and median income levels as well. Households in the middle-income ranges of \$25,000 to \$50,000 are projected to decrease from almost 30% in 2000 to 25.8% in 2009 and then to 23.0% by 2014.

3.1.5. Poverty Status – Increases in poverty

Table 3-12 confirms that poverty declined between 1979 and 1999, both in terms of the numbers of individuals and families living in poverty and in proportion to the population at large. Most dramatically, the number of children living in poverty decreased by 52% between 1989 and 1999.

**Table 3-12
Poverty Status
1989-1999**

	1979		1989		1999	
	#	%	#	%	#	%
Individuals*	3,194	10.9	2,925	10.0	2,508	8.7
Families **	489	7.8	418	6.9	338	5.8
Female Headed Families ***	252	23.0	257	21.9	178	14.8
Related Children Under 18 Years (Under 17 Years for 1980 data)****	836	14.2	772	15.2	399	8.1
Individuals 65 and Over*****	387	9.4	321	7.5	296	7.4

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 3

* Percentage of total population ** Percentage of all families

*** Percentage of all female-headed families

**** Percentage of all families with related children less than 18 years

***** Percentage of all individuals age 65+

The level of poverty was somewhat lower than that for the state as a whole, where 9.3% of all individuals were living in poverty in 2000, as opposed to 8.7% in Northampton and 6.7% of all families statewide versus 5.8% for Northampton.

While the decrease in poverty levels between 1979 and 1999 appears to signal that the City's population was doing better economically, it may also be that the most vulnerable residents living in Northampton in 1980 were forced to leave the City in search of more affordable living conditions elsewhere, most likely to Holyoke or Springfield. The ability to provide affordable housing options for those with very limited incomes who have lived or currently live in the community and want to continue to do so is a continuing challenge and a pressing need.

Recent estimates suggest that poverty levels have actually increased. The 2007 census estimates in the American Community Survey for Northampton indicate that poverty increased to 13.6% with 3,466 residents living below the poverty level as opposed to about 2,500 in 1999. The 2008 American Community Survey, that had estimates for the county and state, also showed increases in poverty, from

9.4% to 10.4% of all residents for Hampshire County, and from 9% to 9.7% for the state. Given the recent economic crisis, these poverty levels may in fact have increased even more.

3.1.6 Employment – Increasing workforce

Northampton has had a strong and diverse economic base with an increasing number of workers despite some decreases in the total population. It can boast a significant manufacturing sector with a mixture of traditional operations, such as wire protrusion and plastic molding, as well as innovative ones including the production of heat sensing devices. It also has a resilient retail and commercial sector and a large institutional base that includes county services, two hospitals and Smith College. Of those 16,008 Northampton residents over the age of 16 who were employed in 2000, 8,270, or about 52%, worked in the community, a percentage that is higher than Hampshire County and the state at 39% and 34%, respectively, suggesting far more employment opportunities in the city. It should also be noted that most workers drove alone to work, another 7.1% carpooled and 3.2% (507 workers) used public transportation. The average commuting time was about 20 minutes, suggesting employment opportunities in town or nearby.

The 2000 census indicated that half of Northampton's workers were involved in management or professional occupations and the remainder employed in the lesser paying retail and service-oriented jobs that support the local economy including sales and office occupations (21.6%), service occupations (14.8%), production and transportation (8.1%), and construction (5.2%). Almost three-quarters of Northampton's labor force were salaried workers, another 19.2% were government workers and 8.8% were self-employed.

Table 3-13
Average Employment and Wages By Industry, 2007

Industry	# Establishments	Total Wages	Average Employment	Average Weekly Wage
Construction	58	\$28,514,981	592	\$926
Manufacturing	35	69,318,800	1,231	1,083
Utilities	3	5,117,360	60	1,640
Wholesale Trade	35	11,443,676	278	792
Retail Trade	170	53,996,883	2,051	506
Transportation/Ware-housing	15	6,030,494	151	768
Information	24	17,394,491	388	862
Finance/Insurance	42	26,009,152	453	1,104
Real estate/rental/leasing	38	3,574,539	127	541
Professional/technical services	128	25,517,897	534	919
Management of companies/enterprises	6	4,309,916	174	476
Administrative and waste services	37	8,845,977	315	540
Educational services	33	125,464,627	2,693	896
Health care/social assistance	147	233,719,934	5,142	874
Arts/entertainment/recreation	29	5,739,359	350	315
Accommodation/food services	100	31,361,103	1,937	311
Other services	193	20,415,348	873	450
Public Administration	28	57,967,071	1,024	1,089
Total	1,123	\$734,749,553	18,374	\$769

Source: Massachusetts Executive Office of Labor and Workforce Development, 2008

More recent labor and workforce data, from 2007, is presented in Table 3-13, which shows an average employment of 18,374 workers as opposed to a total workforce in 2000 of 16,008, indicative of significant job expansion. The data also confirm the concentration of jobs in the retail and service sectors, and demonstrates that these jobs tend to have somewhat lower wage levels. The average weekly wage for Northampton's workers was \$769, about half of Boston's at \$1,476. Those industries with more than 1,000 Northampton workers included manufacturing (1,231 workers), retail trade (2,051), educational services (2,693), health care and social assistance (5,142), accommodation and food services (1,937) and public administration (1,024), clearly reflective of the major sectors of the city's economy mentioned above.

The 2007 state labor statistics project an unemployment rate in Northampton in March 2009 of 5.3%, with 871 Northampton workers unemployed, higher than that of 2008 at 3.8%. As another point of comparison, the unemployment level in March 2009 was 7.1% for Boston, much higher than Northampton's. Nevertheless, during an economic recession, it can be expected that there will be some job reductions that are already affecting housing, as evidenced by the increasing numbers of residents who are seeking counseling from the Valley CDC for foreclosure prevention, for example.

3.1.7 Education – Increasing educational attainment

The educational attainment of Northampton residents has improved over the last couple of decades. In 2000, 88.7% of those 25 years and older had a high school diploma or higher, and 46.1 had a Bachelor's degree or higher (compared with 37.9% for the country), up from the 1990 figure of 32.9% with a college degree or higher. Those enrolled in school (nursery through graduate school) in 2000 totaled 8,843 residents or 30.5% of the population (includes Smith College students), and those enrolled in kindergarten through high school totaled 3,915 students, representing 13.5% of the total population. Clearly Smith College, whose students are included in the population and enrollment data, represents a substantial presence in the community. Some of these students as well as students from other nearby schools, the University of Massachusetts in particular, offer competition for available and more affordable housing, but also a continued opportunity for creating town-gown partnerships to promote affordable housing development.

3.1.8 Disability Status – Significant Special Needs

Of the 2000 residents aged between 5 and 20, 539 or 9.1% had some disability. Of those aged 21 to 64, 2,650 residents, or 15% of the persons in the age range, claimed a disability. About 58% of this group was employed, leaving another 42% or 1,100 residents unemployed, likely due to their disability. In regard to the population 65 years of age or older, 1,227 seniors or 37.9% of those in the age group claimed some type of disability. *These levels of disability represent significant special needs within the Northampton community and suggest that the City make a concerted effort to integrate special needs housing, units that are handicapped accessible and housing with supportive services, into its planning for affordable housing development.*

The Massachusetts Department of Developmental Services (DDS) indicates that there are typically six (6) individuals coming out of residential schools for the developmentally disabled every year who are looking for appropriate housing and services in Northampton.

3.1.9 Residency in 1995

Approximately half of Northampton residents over the age of five who were living in the city in 2000, or 13,116 residents, moved to a new residence within Northampton between 1995 and 2000. Of these, 21% came from somewhere else in Hampshire County, 26% came from a different county, with 10% coming from Massachusetts and 16% coming from a different state or elsewhere.

Table 3-14 shows the gender and age distribution of migrants, including those who left Northampton and those who arrived, involving a net out-migration of 462 residents. There were more female migrants, 62% of all those who moved in and out of the city. The largest net out-migration involved young children and those ages 25 to 29 as well as those 40 to 44, whereas those ages 15 to 24 comprised the largest concentration of net new arrivals, most likely affected by Smith College and other college students.

An analysis of the net migration patterns of those leaving and entering Hampshire County from 1993 to 2003 shows that in the 1990s, most of Hampshire County's new arrivals came from nearby Hampden County. However, from 2000 to 2003 most of the new arrivals were coming from further east, Middlesex County and Worcester County in particular, suggesting some subtle changes in migration patterns across the state.

Table 3-14
Selected Characteristics of 1995 to 2000 Migrants

	In-Migration		Out-Migration		Net Migration
	Number	Percent	Number	Percent	
Total	9,067		9,529		-462
Gender					
Male	3,444	38%	3,585	38%	-141
Female	5,623	62%	5,944	62%	-321
Age Groups					
5 to 9 years	306	3%	420	4%	-114
10 to 14 years	305	3%	295	3%	10
15 to 19 years	1,094	12%	389	4%	705
20 to 24 years	1,967	22%	1,476	15%	491
25 to 29 years	1,184	13%	2,155	23%	-971
30 to 34 years	1,183	13%	1,296	14%	-113
35 to 39 years	804	9%	867	9%	-63
40 to 44 years	572	6%	836	9%	-264
45 to 49 years	508	6%	464	5%	44
50 to 54 years	404	4%	412	4%	-8
55 to 59 years	143	2%	281	3%	-138
60 to 64 years	62	1%	233	2%	-171
65 to 69 years	113	1%	124	1%	-11
70 to 74 years	63	1%	79	1%	-16
75 to 79 years	111	1%	57	1%	54
80 to 84 years	143	2%	49	1%	94
85 years and over	105	1%	96	1%	9

Source: U.S. Census Bureau, 2000. Net migration equals in migration minus out migration.

3.2 Housing Profile

This section of the Housing Needs Assessment looks at housing characteristics and trends, analyzes the housing market from a number of different data sources and perspectives, compares what housing is available to what residents can afford, summarizes what units are defined as affordable by the state and establishes the context for identifying priority housing needs.

Northampton has a relatively diverse housing stock with units distributed among various types of properties and price ranges. The city also includes a fairly even distribution of rental and ownership housing and a considerable amount of units in group quarters, particularly given local institutions and Smith College.

Table 3-15 includes a summary of housing characteristics from 1980 through 2000. Of the 12,405 total housing units in 2000, Northampton had 12,282 year-round units¹⁸ of which 11,880 or 95.8% were occupied. Of the occupied units, 6,356 or 53.5% were owner-occupied and the remaining 5,524 or 46.5% were renter-occupied. These figures represent a somewhat lower level of owner-occupancy in 2000 than that of Hampshire County as a whole where 65% of the units were owner-occupied. *Based on recently released 2010 Census Redistricting data, the number of housing units has increased to 12,728, an increase of 323 units since 2000 or a 2.6% housing growth rate despite small population declines.*

**Table 3-15
Housing Characteristics
1980-2000**

	1980		1990		2000	
	#	%	#	%	#	%
Total # Housing Units	10,660	100.0	11,747	100.0	12,405	100.0
Occupied Units *	10,227	95.9	11,164	95.0	11,880	95.8
Occupied Owner Units **	5,387	52.7	5,682	50.9	6,356	53.5
Occupied Rental Units **	4,840	47.3	5,482	49.1	5,524	46.5
Total Vacant Units/Seasonal, Recreational or Occasional Use *	356/39	33/0.4	583/110	5.1/0.9	525/123	4.2/1.0
Average House-Hold Size of Owner-Occupied Unit	2.54 persons		2.59 persons		2.44 persons	
Average House-Hold Size of Renter-Occupied Unit	1.66 persons		1.95 persons		1.79 persons	

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 1

* Percentage of all housing units ** Percentage of occupied housing units

¹⁸ The year-round figure is the one used under Chapter 40B for determining the 10% affordability goal.

In reviewing changes in the housing stock since 1980, a number of important trends become apparent:

- *Continued housing growth:* Housing growth has continued in Northampton despite an overall population decrease, largely reflective of the formation of smaller households. While 1,745 new housing units were created between 1980 and 2000, the rate of growth has slowed down from a growth rate of 10.2% between 1980 and 1990, to 5.6% from 1990 to 2000, and to 2.6% between 2000 and 2010.
- *Decrease in persons per unit:* Average household size continues to drop, although at a slower rate than it did between 1960 and 2000. Consequently, new housing units do not necessarily translate into more people. The average number of persons per unit declined between 1980 and 2000 from 2.54 persons to 2.44 persons for owner-occupied units and from 1.95 to 1.79 persons for rental units. This decrease reflects local, regional and national trends towards smaller household sizes and relates to the change in the average household size in Northampton from 2.45 persons in 1990 to 2.14 in 2000.
- *Limited growth in rental units:* After an increase of 642 rental units between 1980 and 1990, Northampton gained only 42 rental units from 1990 to 2000, most likely related to limited new construction and the conversion of rentals to homeownership through condominium conversions. Since 2000, the only new rental apartments that have been built in the City have occurred with public subsidies, mainly through The Village at Hospital Hill and some small developments sponsored by the Valley CDC, or the accessory apartment ordinance. Northampton's rental units are distributed throughout the housing stock with 82% of the total 5,524 occupied rental units in 2000 in structures of three (3) or more units.
- *Tight market conditions:* Vacancy rates for both rental and ownership housing were well below 5% indicative of an extremely tight housing market. These rates were substantially lower than the state and national rates as shown in Table 3-16.
- *More visible new development:* New housing has been built in previously undeveloped areas, now typically consuming more land than historical building patterns. Consequently, such development has attracted more attention from residents and some pushback from neighbors.
- *Loss of small multi-family units:* The U.S. Census estimates that from April 1, 2000 to July 1, 2007, 270 new dwelling units were built but 229 units were lost either to other uses, to teardowns, or conversions of two-family dwellings to single-family homes. Moreover, the number of two-family homes decreased from 1,722 such units in 1980 to only 1,529 in 2000, representing the loss of a valuable segment of the city's existing housing stock (see Table 3-17).

Table 3-16
Vacancy Rates by Tenure
1990 and 2000

Tenure	1990	2000	MA 2000	Nation 2000
Rental	3.4%	2.9%	3.5%	5%
Homeowner	1.7%	0.7%	0.7%	3%

Source: U.S. Census Bureau, 1990 and 2000

3.2.1 Types of Structures and Units

The 2000 census indicated that there is significant diversity in Northampton's existing housing stock as shown in Table 3-17. Single-family homes comprise almost one-half of all units, increasing by 525 such units from 1980 to 2000. The number of units in larger properties also grew between 1980 and 2000, increasing by 25% for three and four-unit structures, by 21% for five to nine-unit structures and by 30% for larger properties.

On the other hand, there was a *decline in the number of two-family homes*, from 1,722 units in 1980 to 1,529 in 2000, due largely to conversions to single-family units. This means that roughly 200 rental units in likely owner-occupied homes were lost. Many of these units were probably more affordable, as private landlords, particularly owner-occupied ones, tend to value good tenants and frequently maintain rents below market to keep their tenants. It also suggests the loss of some affordable homeownership stock as well since owners with rental units benefit from rental income that helps them finance the house. Lenders typically count about 75% of the rental income towards mortgage underwriting calculations thus allowing a lower income homeowner to purchase a home. *Thus, small multi-family homes have offered important starter housing in many communities, cities in particular. Strategies to replace some of this housing should be considered in future planning.*

Table 3-17
Units by Type of Structure
1980-2000

Type of Structure	1980		1990		2000	
	#	%	#	%	#	%
1-detached	5,201	49.2	5,257	44.8	5,726	46.2
1-attached			319	2.7	571	4.6
2	1,722	16.3	2,980	25.4	1,529	12.3
3-4	1,196	11.3			1,494	12.0
5-9	1,029	9.7	1,137	9.7	1,243	10.0
10+	1,402	13.3	1,812	15.4	1,816	14.6
Other	21	0.2	242	2.1	26	0.2
Total	10,571	100.0	11,747	100.0	12,405	100.0

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 3

The distribution of units by structure type in 2000 is presented below in Figure 3-3.

Figure 3-3

Distribution of Units Per Structure

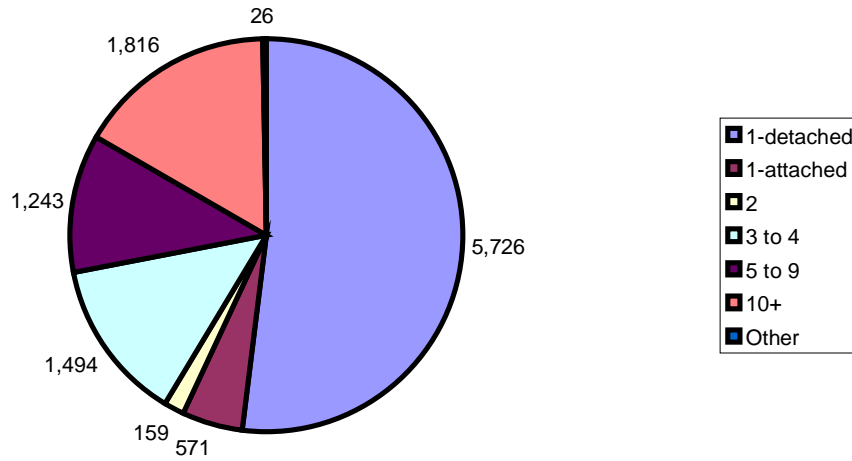


Table 3-18 provides a breakdown of the 2000 distribution of units per structure according to whether the units were occupied by renters or homeowners as well as the number of residents in each category. While about 85% of owners resided in single-family homes, about the same portion of renters lived in multi-family units. It is interesting to note that about 13% of the single-family homes were renter-occupied as opposed to 9.6% statewide.

Table 3-18
Type of Structure by Tenure
2000

Type of Structure	Homeowner Units/ Number of Residents		Renter Units/ Number of Residents	
	#	%	#	%
1-detached	5,021/13,203	79.0	564/1,258	10.2
1-attached	364/686	5.7	168/370	3.0
2	530/1,246	8.3	939/1,802	17.0
3-4	136/273	2.1	1,231/2,032	22.3
5-9	113/244	1.8	1,079/1,819	19.5
10+	174/347	2.7	1,535/2,034	27.8
Other	17/42	0.3	9/16	0.2
Total	6,355/16,041	100.0	5,525/9,331	100.0

Source: U.S. Census Bureau, Census 2000 Summary File 3

Table 3-19 provides information on the distribution of unit sizes, more specifically the number of rooms per unit. These data indicate that the median sized unit was relatively modest with five (5) rooms, or two to three bedrooms. In addition those units most appropriate for single persons, with three rooms or less, comprised only 21% of the housing stock.

**Table 3-19
Number of Rooms Per Unit
2000**

Number of Rooms Per Unit	#	%
1 Room	310	2.5
2 Rooms	794	6.4
3 Rooms	1,526	12.3
4 Rooms	2,415	19.5
5 Rooms	2,435	19.6
6 Rooms	1,845	14.9
7 Rooms	1,381	11.1
8 Rooms	905	7.3
9 or More Rooms	794	6.4
Total	12,405	100.0
Median (Rooms)	5.0	--

Source: U.S. Census Bureau, Census 2000 Summary File 3

3.2.2 Age of Housing Stock

Table 3-20 indicates that a substantial portion of Northampton's housing stock, (45.4% or 5,638 units) predates World War II. Additionally, almost another 30% or 3,484 units were built between 1940 and 1970, with another 1,500 units built between 1970 and 1980. Only 823 units were built more recently, between 1980 and 2000, representing only 6.6% of the housing stock up to that point. Because of the relative age of the existing housing stock, it is likely that many units may have remnants of lead-based paint and/or deferred housing maintenance needs, including some basic code violations related to structural or systemic deficiencies.

**Table 3-20
Housing Units by Year Structure Was Built, 2000**

Time Period	#	%
1999 to March 2000	76	0.6
1995 –1998	242	2.0
1990-1994	373	3.0
1980-1989	132	9.1
1970-1979	1,460	11.8
1960-1969	1,244	10.0
1940-1959	2,240	18.1
1939 or earlier	5,638	45.4
Total	12,405	100.0

Source: U.S. Census Bureau, Census 2000 Summary File 3

3.2.3 More Recent and Projected Housing Growth

Building permit activity since 2000 through 2009 indicates that Northampton added 419 total units to its housing stock, representing a total investment of almost \$77.5 million for an average per unit cost of \$185,034 as indicated in Table 3-21. Figures released through the 2010 Census Redistricting data counted 12,728 total housing units, representing a gain of 323 units since 2000. This suggests that there was a net loss of about 100 units in the existing housing stock during the last decade, potentially through the conversion of small multi-family structures to single-family homes, a trend that was occurring prior to 2000 as noted in Table 3-17 above.

Table 3-21
Building Permit Activity – New Dwelling Units
2000 - 2009

Year	Total Units	Single-family Units	Multi-family Units	Total Value/Value per Unit
2000	12	8	2 duplexes/4 units	\$1,042,500/\$86,875
2001	30	28	2-family house/2 units	\$4,138,928/\$137,964
2002	20	14	2 duplexes/4 units 2-family house/2 units	\$3,070,057/\$153,503
2003	60	37	10 unit building 3 3-families/9 units 2 duplexes/4 units	\$11,118,568/\$185,309
2004	54	52	2-family house/2 units	\$12,222,070/\$226,335
2005	87	43	5 duplexes/10 units 8 duplexes/16 units 3 4-unit bldgs/12 units 3 2-family homes/6	\$13,684,954/\$157,298
2006	36	20	2 duplexes/4 units 2 6-unit bldgs/12 units	\$12,582,376/\$349,510
2007	34	15	5-unit bldg 5 units 6-unit bldg/6 units 2 3-unit bldgs/6 units 1 duplex/2 units	\$6,556,465/\$192,837
2008	62	19	3-unit bldg/3 units 4 8-unit bldgs/32 units 5-unit bldg/5 units 3 unit bldg/3 units	\$9,878,297/\$159,327
2009	24	7	3 2-family bldg/6 units 3 3-4 unit bldg/11 units	\$3,235,147/\$134,798
Total	419	243	176	\$77,529,362/\$185,034

Source: Northampton Building Department and MassBenchmarks database, Donahue Institute of the University of Massachusetts

The table also shows that 60% of the units produced were single-family homes, somewhat higher than what had been produced before 2000 when less than half of the existing housing stock was comprised of single-family dwellings. The amount of permit activity varied considerably from year to year with significantly lower activity in the early years of the decade to a high of 87 permits in 2005. The average per unit investment also ranged substantially from a low of \$86,875 in 2000 to a high of \$349,510 in 2006.

There were a total of 39 *accessory apartments* permitted since 2000, ranging in costs from \$1,550, obviously requiring very little alteration in the property, to as high as \$369,250 that even included some meditation space. Most of the higher priced accessory apartments involved the new construction of an addition to an existing property. The total investment in creating accessory units was \$2,842,582 with an average cost per unit of \$72,887.

2001 – 1 unit (\$5,500)

2002 – 2 units (\$132,216 and \$83,990)

2003 – 10 units (\$121,600, \$8,550, \$51,000, (\$94,500, \$13,530, \$11,000, (\$116,250, \$15,000, \$52,500, \$70,000)

2004 – 5 units (\$90,958, \$17,500, \$45,000, (\$65,000, \$21,500)

2005 – 8 units (\$42,500, \$60,000, \$1,550, \$359,250, \$60,000, \$11,000, \$119,205, \$56,500)
 2006 – 7 units (\$8,800, \$166,658, \$140,000, \$38,500, \$13,000, \$70,200, \$34,500)
 2007 – 3 units (\$54,000, \$80,000, \$84,130)
 2008 – 1 unit (\$189,650)
 As of May 2009 – 2 units (\$250,000, \$17,500)

In the future, development is likely to be “smarter,” with most development occurring in and adjacent to existing urbanized areas (see Appendix 5 for the City’s future land use map). For example, development is more likely to occur within the footprint of the existing urban core at Village Hill/Hospital Hill, Pleasant Street, King Street, downtown, Florence, Bay State, Leeds, their surrounding neighborhoods, and a buffer beyond these developed areas. The adoption of *Sustainable Northampton*, the City’s new comprehensive plan, and this Strategic Housing Plan, should serve to reinforce these more sustainable development patterns. As part of these planning efforts (which should incorporate necessary consensus building, regulatory reform and neighborhood implementation planning), development should be guided by the principles as provided by the City’s Office of Planning and Development:

- Large-scale development will be discouraged in the outlying rural and suburban areas of the City because these kinds of development patterns are far more consumptive of energy and natural resources and create greater financial burdens on the City.
- Development will instead be channeled towards walkable and more sustainable patterns, in places like Village Hill, downtown, and other appropriate places in pre-World War II historically developed areas and roughly a mile out from those places.
- The City will focus on providing services in sustainable areas, and not in patterns that underwrite unsustainable development patterns.
- Developers have reported that they understand that the City is discouraging suburban-style housing projects in outlying areas.

The Office of Planning and Development further recognizes that while much of the policy, regulatory, and investment changes to implement its plans will take some time, the initial work is already underway:

- All new subdivisions now require concrete sidewalks, granite curbs, and sufficient water pressure or sprinkler systems to fight fires. These expensive features will both lower future City costs and make it far more likely that development will occur closer to downtown and Florence, where street lengths per unit are shorter, and not in outlying areas.
- Open space acquisitions are being targeted in part to purchase frontage and prevent development in those outlying areas of the City where it is least appropriate.
- Investments in publicly supported development, such as CPA funds for affordable housing, are being channeled away from outlying areas.

3.2.4 Housing Market Conditions

The following analysis of the housing market looks at past, present and future values of homeownership and rental housing from a number of data sources including:

Past and current values

- The 1980, 1990 and 2000 U.S. Census

- The Warren Group's median income statistics and sales volume by year, from 1988 through 2009
- Multiple Listing Service data
- City Assessor's data
- Craigslist (rental housing)
- The U.S. Census's American Community Survey (2008 estimates)
- Nielsen Claritas data for 2009 estimates

Future values

- Nielsen Claritas data for 2014 projections

Homeownership

Census data also provides information on housing values for homeownership and rental units. While this information is now more than nine (9) years old, it still provides a reasonable frame of reference to compare with more current values, with other communities, and with the county as a whole and the state. The census indicated that the 2000 median house value was \$144,600, up only about 8.8% from the median in 1990 of \$132,900, but up about 280% since 1980 when the median was only \$38,200. As Table 3-22 indicates, there were 555 units valued at less than \$100,000 in 2000, and another 2,217, or 43.6% of the housing stock, valued between \$100,000 and \$150,000, demonstrating that more than half of the city's housing units were relatively affordable at that time. Still another 1,101 units or 21.7% were valued between \$150,000 and \$200,000. On the other end of the price range, 390 units, or 7.8% of the housing stock, were priced at \$300,000 or more, clearly in the high-end of the market at the time.

Table 3-22
Housing Values
1980 – 2000

Price Range	1980		1990		2000	
	#	%	#	%	#	%
Less than \$50,000	2,439	55.8	50	1.1	29	0.6
\$50,000 to \$99,999	926	21.2	650	14.8	526	10.4
\$100,000 to \$149,999	45	1.0	2,167	49.5	2,217	43.6
\$150,000 to \$199,999	6	0.1	866	19.8	1,101	21.7
\$200,000 to \$299,999	3	0.07	493	11.3	819	16.1
\$300,000 to \$499,999			153	3.5	369	7.3
\$500,000 or more					21	0.5
Total	4,368	100.0	4,379	100.0	5,082	100.0
Median (dollars)	\$38,200		\$132,900		\$144,600	

Source: U.S. Census Bureau, Census 1980, 1990 (Summary File 1) and 2000 Summary File 3

In 2000, housing prices in Northampton were only a bit higher than those for Hampshire County, with a median house value of \$142,400. The median price was somewhat lower than the state's median of \$162,800.

Table 3-23 provides *Warren Group data* on median sales prices and number of sales from 1988 through 2010, offering a long-range perspective on sales activity. This data is tracked from Multiple Listing Service information based on actual sales. The median sales price of a single-family home as of the end of 2008 was \$250,000, and despite an economic recession the median has increased somewhat to

\$255,000 in Northampton as of the end of 2010. The lowest point of the market occurred in 1994 when the median single-family home was priced at \$120,000, down only very little from values earlier in the decade, during the last serious economic slump. Since then home values climbed relatively slowly, reaching \$299,000 in 2005, a 149% increase from 1994. The number of single-family home sales also increased significantly from less than 170 units in the early 1990s to a high of 245 in 2001, and then back down to about 170 sales between 2007 and 2010. A local realtor indicated that between January and July of 2008 there were 60 sales of single-families, but only 40 such sales during the same timeframe in 2009, a substantial decline in sales activity.

The condo market has experienced significantly more volatility in both values and number of sales. Median prices dropped from 1988 to 1993, from \$107,900 to \$62,500, and then the market revived somewhat in 2000 when the median condo price rose to \$125,000. After another small dip in value, the condo market grew increasingly strong until it reached \$202,700 in 2008. During 2009, the market took another hit and the median declined to \$172,800, but has revived somewhat with an increase to \$187,250 as of the end of 2010. The condo market has been very soft throughout the Commonwealth, as financing has become more difficult to obtain and prices in some communities have fallen to all-time lows. The sales volume of condos was quite robust through the mid part of this decade, with sales of more than a hundred condos annually, reflective of new condo construction. While the number of condo sales fell to only 62 in 2009, the volume of sales was up a bit in 2010 at 70 sales through the end of the year.

Table 3-23
Median Sales Prices and Number of Sales
1988 – 2010

Year	Months	Single-family/#	Condo/#	All Sales	# Sales
2010	Jan – Dec	\$255,000/173	\$187,250/70	\$237,250	342
2009	Jan – Dec	260,000/167	172,800/62	235,500	324
2008	Jan – Dec	250,000/164	202,700/84	249,950	352
2007	Jan – Dec	277,125/158	196,500/136	239,500	405
2006	Jan – Dec	275,000/223	195,000/117	253,000	445
2005	Jan – Dec	299,000/227	199,000/154	260,000	530
2004	Jan – Dec	242,500/227	153,950/138	212,250	525
2003	Jan – Dec	224,000/212	122,750/116	188,000	473
2002	Jan – Dec	192,500/221	115,000/65	190,000	386
2001	Jan – Dec	174,500/245	97,000/97	162,000	472
2000	Jan – Dec	180,000/207	125,000/113	155,000	426
1999	Jan – Dec	147,000/241	87,500/107	139,300	453
1998	Jan – Dec	148,000/241	78,750/83	135,000	432
1997	Jan – Dec	130,000/217	87,500/65	124,700	388
1996	Jan – Dec	130,000/199	75,750/68	121,350	352
1995	Jan – Dec	129,000/179	82,000/63	118,250	330
1994	Jan – Dec	120,000/182	79,950/50	119,000	343
1993	Jan – Dec	127,000/167	62,500/95	115,000	346
1992	Jan – Dec	125,000/168	64,625/81	106,500	311
1991	Jan – Dec	122,500/169	76,000/74	112,000	317
1990	Jan – Dec	121,000/171	74,900/114	108,160	359
1989	Jan – Dec	131,750/166	101,771/75	123,000	361
1988	Jan – Dec	133,000/191	107,900/99	125,000	411

Source: The Warren Group, May 8, 2011

Another analysis of housing market data is presented in Tables 3-24 and 3-25, which break down sales data from the *Multiple Listing Service* for single-family homes and condominiums. Table 3-24 provides a snap-shot of the range of sales for 2008. There were a total of 230 sales, 144 single-family homes and 86 condos. Units that sold below \$200,000, and were therefore relatively affordable, included 27 single-family homes and 41 condominiums for a total of 68 units. The average or mean sale price for 2008 was \$302,656 for single-family homes and \$227,228 for condos, although the medians were considerably less at \$260,000 and \$202,400, respectively.

The 2008 MLS data further indicate that the average marketing period was 98 days for single-family homes, 118 days for condos and 108 days for multi-family units, which given the slowing of the housing market, and the economy in general, is not as long as might be expected. However, days on the market varied considerably among properties.

Table 3-24
Single-family House and Condo Sales
January 1, 2008 Through December 31, 2008

	Single-family Homes		Condominiums		Total	
Price Range	#	%	#	%	#	%
Less than 100,000	3	2.1	4	4.6	7	3.0
\$100,000-149,999	3	2.1	22	25.6	25	10.9
\$150,000- 199,999	21	14.6	15	17.4	36	15.6
\$200,000-249,999	40	27.8	22	25.6	62	27.0
\$250,000-299,999	23	16.0	7	8.1	30	13.0
\$300,000-349,999	13	9.0	4	4.6	17	7.4
\$350,000-399,999	11	7.6	3	3.5	14	6.1
\$400,000-449,999	10	6.9	0	0.0	10	4.4
\$450,000-499,999	7	4.9	2	2.3	9	3.9
\$500,000-599,999	6	4.2	7	8.1	13	5.6
\$600,000-699,999	5	3.5	0	0.0	5	2.2
\$700,000-799,999	1	0.7	0	0.0	1	0.4
\$800,000-899,999	1	0.7	0	0.0	1	0.4
\$900,000-999,999	0	0.0	0	0.0	0	0.0
Over \$1 million	0	0.0	0	0.0	0	0.0
Total	144	100.0	86	100.0	230	100.0
Average List Price/Average Sale Price	\$315,758/ \$302,656		\$227,711/ \$227,228		--	
Median Price	\$260,000		\$202,400		--	

Source: Multiple Listing Service, Goggins Real Estate, September 10, 2009

Sales in 2009, from January through September 10, and as presented in Table 3-26, show some strengthening in the single-family market with the average sales price increasing to \$327,899 and the median to \$281,500. However, the decline in the condo market is evident from the drop in both the average and median sales prices, the median to \$167,000. Also the number of condo sales fell to only 42 sales during the first eight (8) months of the year.

Days on the market ranged from 118 days for single-family homes to 165 days for condos, and 104 days for multi-family properties, demonstrating longer marketing periods for single-families and condos than in 2008. Once again there was a huge variation regarding the marketing time among properties.

In regard to current listings as of September 10, 2009, the average list price for a single-family home was \$435,545, based on 82 listings, while the median was \$345,000. Both price levels are substantially higher than the average list price and median sales price in 2008. Prices of current condo listings, with an average list price of \$224,051 and a median of \$209,000, are fairly comparable to the 2008 levels. It appears that in comparison to actual sales to date in 2009, however, both single-families and condos were being listed at substantially higher prices than what the market would actually bear.

Table 3-25
Single-family Home (SF) and Condo Sales
January 1, 2009 Through September 10, 2009

Price Range	Active Listings #/%		Sales #/%		Total	
	SF	Condos	SF	Condos	#	%
Less than 100,000	0/0.0	5/7.6	1/0.9	4/9.5	10	3.4
\$100,000-149,999	1/1.2	17/25.8	1/0.9	11/26.2	30	10.1
\$150,000- 199,999	6/7.3	9/13.6	14/13.1	13/31.0	42	14.1
\$200,000-249,999	20/24.4	15/22.7	26/24.3	9/21.4	70	23.6
\$250,000-299,999	12/14.6	6/9.1	17/15.9	2/4.8	37	12.5
\$300,000-349,999	4/4.9	4/6.1	12/11.2	0/0.0	20	6.7
\$350,000-399,999	7/8.5	4/6.1	10/9.4	2/4.8	23	7.7
\$400,000-449,999	8/9.8	2/3.0	10/9.4	0/0.0	20	6.7
\$450,000-499,999	6/6.1	3/4.6	5/4.7	1/2.4	15	5.0
\$500,000-599,999	5/6.1	1/1.5	5/4.7	0/0.0	11	3.7
\$600,000-699,999	3/3.7	0/0.0	1/0.9	0/0.0	4	1.4
\$700,000-799,999	3/3.7	0/0.0	0/0.0	0/0.0	3	1.0
\$800,000-899,999	3/3.7	0/0.0	3/2.8	0/0.0	6	2.0
\$900,000-999,999	0/0.0	0/0.0	2/1.9	0/0.0	2	0.7
Over \$1 million	4/4.9	0/0.0	0/0.0	0/0.0	4	1.4
Total	82/100.0	66/100.0	107/100	42/100	297	100.0
Average List Price/Average Sale Price	\$435,545/ NA	\$224,051/ NA	\$339,619 \$327,899	\$195,969 \$186,210	--	--
Median Price	\$345,000	\$209,000	\$281,500	\$167,000	--	--

Source: Multiple Listing Service, Goggins Real Estate, September 10, 2009

There were sales of multi-family structures including 26 sales in 2008 and 20 sales as of September 10 2009, ranging in price from a \$125,000 two-family to a \$545,00 six-unit property. The median price of a two-family house in both 2008 and 2009 was \$300,000 versus an average sales price of \$316,488.

City Assessor data on the assessed values of residential property in Northampton is presented in several of the following tables and provides some insights not only into the diversity of the existing housing stock but also the range of values for each dwelling type related to permanent housing. The information does not include group quarters such as rooming and boarding

houses, residence halls or dormitories, and other congregate housing that includes non-transient shared living arrangements.

Table 3-26 provides information on the assessed values of single-family homes that includes 5,500 units, fewer than the 5,726 single-family detached units reported in the 2000 U.S. Census. Of these units, 3,443 or about 63% were assessed at less than \$300,000, 760 at less than \$200,000 (i.e. relatively affordable). Another 19.4% or 1,067 units were valued between \$300,000 and \$400,000. The median valued single-family home was \$260,900 based on Assessor's records, somewhat higher than the median price based on sales of approximately \$250,000 in 2008, lower than the 2009 MLS listing of \$281,500 and the Warren Group July 2009 median figure of \$295,000.

Table 3-26
Assessed Values of Single-family and Mixed-use Properties

Assessment	Single-family Dwellings		Mixed-Use Properties*		Total	
	#	%	#	%	#	%
0-\$199,999	760	13.8	3	2.2	763	13.5
\$200,000-299,999	2,683	48.8	21	15.7	2,704	48.0
\$300,000-399,999	1,067	19.4	24	17.9	1,091	19.4
\$400,000-499,999	550	10.0	20	14.9	570	10.1
\$500,000-599,999	237	4.3	21	15.7	258	4.6
\$600,000-699,999	108	2.0	11	8.2	119	2.1
\$700,000-799,999	46	0.8	8	6.0	54	1.0
\$800,000-899,999	28	0.5	6	4.5	34	0.6
\$900,000-999,999	7	0.1	6	4.5	13	0.2
Over \$1 million	14	0.3	14	10.4	28	0.5
Total	5,500	100.0	134	100.0	5,634	100.0

Source: Northampton Assessor, fiscal year 2009.

* Includes 51 mixed-use properties that are primarily residential and 83 that are primarily commercial.

Table 3-26 also provides a count of mixed commercial and residential properties, 51 of which are included in buildings that are predominantly residential and 83 in those that are predominantly commercial. There is considerable variation in the values of such properties, ranging from only three (3) properties valued below \$200,000, to 20 to 24 units in the ranges of \$200,000 to \$600,000, and another 45 properties assessed beyond \$600,000 including 14 over a million-dollar properties.

Table 3-27 examines the values of condominiums, including 110 units at Laurel Park that have been converted from summer bungalows to condos over a number of years, and 81 co-housing units at a couple of developments such as Pathways Co-Housing and Rocky Hill Co-Housing. Laurel Park is a former campground where units have been individually sold and improved over the years. There are also a couple of co-housing developments that are cooperative neighborhoods that include homes clustered around a common house with facilities that are shared by all residents (dining room, kitchen, play rooms, library) and where parking is in lots as opposed to separate driveways. The co-housing concept originated in Denmark with a focus on knowing one's neighbors and providing a safe and nurturing environment for children. The City

Assessor maintains data on these developments separately as they involve less traditional housing types.

The total number of traditional condos was 1,204 in fiscal year 2009 records with 92.6% of the units valued below \$300,000, 60.5% or 728 units valued below \$200,000, representing a significant segment of the City's relatively affordable housing stock. The median condo value was \$180,000, higher than the \$167,000 median in the 2009 MLS data and comparable to the Warren Group median of \$165,300 as of July 2009.

As demonstrated in Table 3-24, condos are susceptible to wide fluctuations in the housing market. Condo markets are historically slower to appreciate and faster to decline in value, and several years ago the value of condos rose disproportionately when the price of single-family homes reached an unprecedented high.

Table 3-27
Assessed Values of Condominiums

Assessment	Condominiums		Laurel Park*		Co-Housing Units**		Total	
	#	%	#	%	#	%	#	%
0-\$199,999	728	60.5	94	85.4	9	11.1	831	59.6
\$200,000-299,999	386	32.1	16	14.6	59	72.8	461	33.0
\$300,000-399,999	55	4.6	0	0.0	10	12.4	65	4.7
\$400,000-499,999	24	2.0	0	0.0	3	3.7	27	1.9
\$500,000-599,999	10	0.8	0	0.0	0	0.0	10	0.7
\$600,000-699,999	0	0.0	0	0.0	0	0.0	0	0.0
\$700,000-799,999	1	0.08	0	0.0	0	0.0	1	0.07
\$800,000-899,999	0	0.0	0	0.0	0	0.0	0	0.0
\$900,000-999,999	0	0.0	0	0.0	0	0.0	0	0.0
Over \$1 million	0	0.0	0	0.0	0	0.0	0	0.0
Total	1,204	100.0	110	100.0	81	100.0	1,395	100.0

Source: Northampton Assessor, fiscal year 2009.

* Former campground where units have been purchased and improved as condominiums.

** Includes co-housing developments of Pathways Co-Housing and Rocky Hill Co-Housing.

Conversion of rental properties to condominiums has been a concern for many interested in promoting more housing diversity and affordable housing. There has been a considerable amount of such conversion going back to the 1970s and including:

- The McCormack block on South Street was legally converted to condos in the 1970s but most units remain as rentals.
- The Old School Commons property involved the conversion of the Hawley Junior High School to condominiums in the 1980s.
- The River Run Condominium on Damon Road includes 252 condo units many of which are being rented.
- The Clarke School has been in the process of selling units for conversion to condos.
- Property owners in and near the downtown have converted units to condos, now selling for more than \$300,000 in areas that were considered marginal decades ago.

- Factory housing and rowhouses close to downtown have been particularly affected by conversions.

During the 1980s, the City planned to establish a moratorium on condo conversions, largely in response to the announcement that the McCormack block was going to be converted, although the moratorium was not ultimately approved.

Given current market conditions, condo conversions have stopped altogether. It has become, in fact, extremely challenging to secure financing for condos, as lenders are applying much more rigorous lending criteria. Some condo associations are in trouble because, with the economic downturn, owners are failing to pay condo fees or assessments, putting entire developments in jeopardy.



Rocky Hill Co-Housing Development (also known as Black Birch Trail)

Assessor's data also indicated that the majority of the multi-unit dwellings that involved two- and three-family properties were assessed between \$200,000 and \$400,000 (Table 3-28). About 60% of the four (4) to eight (8) unit properties were valued between \$300,000 and \$500,000 and about the same level of properties of more than eight (8) units were assessed above \$1 million. Assessor's data indicated that there were 902 two-family homes, 168 three-families, 171 structures of four to eight units and 37 with eight units or more. There were also 56 properties that involved more than one house on the same lot, with a wide fluctuation in values.

Table 3-28
Assessed Values of Multi-family Properties

Assessment	2/ 3-unit property		4 to 8-unit/8+ property		Multiple houses 1 lot		Total	
	#	%	#	%	#	%	#	%
0-\$199,999	10/1	1.1/0.6	0/0	0.0/0.0	2	3.6	13	1.0
\$200,000-299,999	410/24	45.4/14.3	20/0	11.7/0.0	7	12.5	461	34.6
\$300,000-399,999	349/81	38.7/48.2	61/1	35.7/2.7	10	17.9	502	37.6
\$400,000-499,999	84/34	9.3/20.2	44/0	25.7/0.0	12	21.4	174	13.0
\$500,000-599,999	24/21	2.7/12.5	27/0	15.8/0.0	11	19.6	83	6.2
\$600,000-699,999	8/4	0.9/2.4	9/2	5.3/5.4	3	5.4	26	2.0
\$700,000-799,999	7/2	0.8/1.2	6/4	3.5/10.8	4	7.1	23	1.7
\$800,000-899,999	4/0	0.4/0.0	0/5	0.0/13.5	2	3.6	11	0.8
\$900,000-999,999	4/1	0.4/0.6	2/3	1.2/8.1	2	3.6	12	0.9
Over \$1 million	2/0	0.2/0.0	2/22	1.2/59.5	3	5.4	29	2.2
Total	902/168	100.0/100.0	171/37	100.0/100.0	56	100.0	1,334	100.0

Source: Northampton Assessor, fiscal year 2009.

Table 3-29 provides additional data on the values of owner-occupied housing, summarizing data from Nielsen Claritas reports, a proprietary data source. This database indicates that the 2009 median house value is \$244,256, a bit higher than The Warren Group's median value for all sales of \$239,500. The Nielsen Claritas report suggests that the median value of the owner-occupied housing stock will increase to \$267,035 by 2014, representing fairly stable housing values into the next few years.

Table 3-29
Values of Owner-Occupied Housing Units
2009 Estimates and 2014 Projections

Price Range	2009 Estimate	%	2014 Projection	%
Less than \$20,000	0	0.00%	0	0.00%
\$20,000 to \$39,999	0	0.00%	0	0.00%
\$40,000 to \$59,999	16	0.25%	7	0.11%
\$60,000 to \$79,999	44	0.68%	34	0.52%
\$80,000 to \$99,999	86	1.32%	61	0.93%
\$100,000 to \$149,999	406	6.25%	281	4.29%
\$150,000 to \$199,999	1,534	23.63%	1,072	16.38%
\$200,000 to \$299,999	2,620	40.36%	2,712	41.43%
\$300,000 to \$399,999	895	13.79%	1,140	17.42%
\$400,000 to \$499,999	429	6.61%	567	8.66%
\$500,000 to \$749,999	375	5.78%	494	7.55%
\$750,000 to \$999,999	56	0.86%	137	2.09%
\$1,000,000 or more	30	0.46%	41	0.63%
Total	6,491	100.00%	6,546	100.00%
Median Value	\$244,256		\$267,035	

As to farther into the future, the Harvard MIT Joint Center for Housing Studies issued its State of the Nation's Housing 2009 report which indicated that the "echo boomers", the children of the post World War II baby boomer generation, offer a massive source of support for housing. The generation is entering the peak home buying and renting ages of 25 to 44 and numbers more than five million people more than did their parents' record-setting group in the 1970s. The study further states that while the echo boomers will likely bolster the housing market, they will also likely enter the market with somewhat lower real incomes than people the same age did decades ago. While there is a substantial population of young adults age 21 to 34 in Northampton, their numbers have been on the decline. It may be the significant presence of this age group that has provided the ballast to keep Northampton home prices from declining significantly. However, the study also suggests that the highest unemployment in almost 26 years, record foreclosures and rigid lending practices threaten to overcome emerging sales progress despite the unprecedented efforts of the Obama administration. *Such threats, tight lending practices in particular, are clearly impacting the condo market in Northampton.*

Rentals

Table 3-30 presents information on rental costs from 1980 to 2000, based on the U.S. Census. The rental market has changed substantially as the median rent doubled between 1980 and 2000, going

from \$326 per month to \$647. In 2000 about 60% of the City's rental units were renting in the \$500 to \$1,000 price range. It is also important to note that the census counts also include subsidized units.

Table 3-30
Rental Costs
1980-2000

Gross Rent	1980		1990		2000	
	#	%	#	%	#	%
Under \$200	1,460	30.2	685	12.5	480	8.7
\$200-299	2,051	42.5	365	6.6	318	5.8
\$300-499 ***	945	20.0	1,326	24.2	786	14.2
\$500-749 ***	213	4.4	2,221	40.5	1,958	35.5
\$750-999			622	11.3	1,324	24.0
\$1,000-1,499			143	2.6	431	7.9
\$1,500 +					23	0.4
No Cash Rent ¹⁹	161	43.3	127	2.3	198	3.6
Total*	4,830		5,489	100.0	5,518	100.0
Median Rent	\$326		\$530		\$647	

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 3

* Number of rental units with data on gross rents/total number of rental units; percentage breakdowns exclude units counted without cash rent/all units counted

** Figures in 1990 census data are listed as \$1,000 or more and do not break numbers into the \$1,500 or more range.

*** 1980 data is for costs from \$300 to \$399 and for \$400 or over.

Updated information from Craigslist on rental offerings in Northampton are offered below.

One-bedroom Units

- \$850 one-bedroom in an owner-occupied house in Florence Center
- \$880 for a one-bedroom condo near the downtown with hardwood floors and tile
- \$950 one-bedroom unit on the second floor of a newly renovated house with the bedroom in a loft space
- \$1,200 one-bedroom close to downtown

Two-bedroom Units

- \$900 two-bedroom on the second floor of a two-family house in a "cute, quiet neighborhood"
- \$950 for a two-bedroom condo for lease with pool access and other amenities with easy access to Route 91
- \$1,000 five-room two to three-bedroom apartment in the downtown with wood floors
- \$1,095 furnished two-bedroom in the lower half of a two-family house
- \$1,100 two-bedroom across from Smith College with about 1,000 square feet in a Victorian house
- \$1,100 two-bedroom in downtown, newly renovated multi-style loft apartment including a spiral staircase to bedroom space and an open kitchen and living floor plan
- \$1,375 two-bedroom ranch near Look Park

Three-bedroom Units

- \$1,250 three-bedroom duplex unit just off Main Street in the downtown with wood floors
- \$1,285 for a three-bedroom townhouse

¹⁹ No cash rent involves units where there are no formal rent payments.

- \$1,350 for a six-room, three-bedroom unit only a five-minute walk to the downtown
- \$1,375 for a three-bedroom renovated duplex with office and parking on a bus route
- \$1,950 three-bedroom in a renovated Victorian home near the downtown

Four-bedroom Unit

- \$2,000 for a four-bedroom Cape-style home near Smith College and walking distance to the downtown

Most of these apartments require first and last month's rent plus a security deposit equivalent to a month's rent. For a \$1,200 apartment, that totals \$3,600 in up-front cash, an amount that many prospective tenants just do not have. Some listings include just a half-month's rent up-front, in addition to the first month's rent, as a "finders fee".

Rental property managers cite fairly similar rental price ranges. One indicated that she had just recently rented a "somewhat renovated" two-bedroom unit on West Street for \$850 that did not include utilities but did require first and last months rent as well as a security deposit. She mentioned that small efficiencies could rent for as low as \$600 and a three-bedroom house for at least \$1,200. She rarely sees large apartments of three-bedrooms or more come onto the market.

Another rental property manager suggested that one-bedroom apartments are renting for as low as \$650 but can easily go up to \$1,100, depending on size, condition and location. Two-bedroom units go from \$859 "and up from there". She also does not see many three-bedroom units become available. Houses that become available to rent are priced between \$1,100 (smaller homes in Florence) to \$2,100, with the median being between \$1,300 and \$1,400.

A third realtor commented on how the downtown market typically commands higher rents than those further out, including Florence. He suggested relatively similar price ranges as the others, and indicated that condo units rented at Old School Commons represent the high end of the market, going for \$1,200 to \$1,300 for one-bedrooms and \$2,200 for two-bedrooms. He also mentioned that there are very few larger apartments in the housing stock, and most of the three-bedroom rentals he sees are houses. A three-bedroom ranch in Florence would typically rent for between \$1,200 and \$1,400. He added that a few years ago landlords were more prone to get carried away with their pricing, attempting to get higher rents. However, landlords now tend to be more reasonable about what they can charge given current market conditions. He made another important point about the fact that renters pay the agent's rental fee, which is 60% of the monthly rent, as opposed to landlords paying the fee in most places. This fee represents another cost barrier to accessing housing in Northampton. He did suggest that only about 30% of the landlords he deals with exact first and last month's rent plus a security deposit with most charging two of the three.

With the exception of The Village Hill project and units that are being developed on a relatively small scale by the Valley CDC or through accessory apartments, no new rental housing is being built in Northampton.

3.2.5 Affordability of Existing Housing

While it is useful to have a better understanding of past and current housing costs, with some sense of what the future may bring, it is also important to analyze the implications of these costs on affordability. Tables 3-31 and 3-32 attempt to look at affordability from two different vantage points. Table 3-31 calculates what households earning at various income levels can afford, and Table 3-32 examines some of the housing costs summarized above in Section 3.2.4, estimating what households must earn to

afford these prices *based on spending no more than 30% of their income on housing expenses*, the commonly applied threshold of affordability.

Table 3-31
Affordability Analysis I
Maximum Affordable Prices Based on Income Levels

Type of Property	Income Level	30% of Monthly Income	Estimated Max. Affordable Price 5% Down ****	Estimated Max. Affordable Price 20% Down ****
Single-family	Median Income = \$51,796*/\$62,125**	\$1,294.90/ \$1,553.12	\$190,000/ \$230,000	\$228,000/ \$275,000
	80% AMI = \$49,700***	\$1,242.50	\$184,000	\$220,000
Condominium	Median Income = \$51,796*/\$62,125**	\$1,294.90/ \$1,553.12	\$155,000/ \$193,000	\$185,000/ \$230,000
	80% AMI = \$49,700**	\$1,242.50	\$145,000	\$175,000
Two-family	Median Income = \$51,796*/\$62,125	\$1,294.90/ \$1,553.12	\$295,000/ \$330,000	\$350,000/ \$380,000
	80% AMI = \$49,700**	\$1,242.50	\$285,000	\$340,000
		30% of Monthly Income	Estimated Utility Cost	Affordable Monthly Rental
Rental	Median Income = \$51,796*/\$62,125**	\$1,294.90/ \$1,553.12	\$135	\$1,159.90/ \$1,418.12
	80% AMI = \$49,700**	\$1,242.50	\$135	\$1,107.50
	60% AMI = \$37,260**	\$931.50	\$135	\$796.50
	30% AMI = \$18,650	\$466.25	\$135	\$331.25

Source: Calculations provided by Karen Sunnarborg.

* Based on Nielsen Claritas database 2009 estimate.

** Based on extrapolating median income from the 80% AMI HUD figure for a household of two (2).

*** HUD 2009 Income Limits for the Springfield MSA for a household of two (2), which is the average household size in Northampton.

**** Figures based on interest of 5.5%, 30-year term, annual property tax rate of \$11.48 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount for 95% financing, estimated monthly condo fees of \$250, and rental income of 75% of \$900 or \$675.

Table 3-31 shows how different types of housing are more or less affordable to households earning at median income and at 80% of area median income. It also indicates that the amount of down payment has a substantial bearing on what a household can afford. During the past few years, it has been fairly easy for purchasers to limit their down payments on mortgage financing to 5% or even less as long as they paid private mortgage insurance or qualified for a subsidized mortgage program such as the state's Soft Second Loan Program. Given the recent financial crisis, lenders are now typically applying more rigid lending criteria including the need for 20% down payments. Such high cash requirements make homeownership, particularly first-time homeownership, much more difficult. However, as Table 3-32 demonstrates, a household earning the same level of income can acquire a much higher priced home with more cash down.

Table 3-31 also shows that because condo fees are calculated as housing expenses in mortgage underwriting criteria, they are more expensive. Therefore, a household earning 80% of area median income, for example, can afford a single-family home of \$220,000 with a 20% down payment, but a condo for only \$175,000, also with 80% financing. The same household is estimated to be able to buy a two-family house for \$340,000 if it can charge \$900 per month in rent as this income is also considered in mortgage underwriting, usually at about 75% of the rent level. A three-family house is even more affordable with two paying tenants and it is therefore not surprising that the triple-decker has been such a success as starter housing for those looking to enter into homeownership in some of the state's cities.

Table 3-31 also looks at what renters can afford at three different rent levels. For example, a two-person household earning at 60% of area median income and earning \$37,260 annually could afford a monthly rental of about \$800, assuming they are paying no more than 30% of their income on housing and pay utility bills that average about \$135 per month. A rental this low is increasingly difficult to find in Northampton, where the lowest rental advertised in September 2009 was \$850, that required first and last month's rent and a security deposit equivalent to a month's rent. This means that any household looking to rent in the private housing market must have a considerable amount of cash available, which has a significant impact on affordability.

Table 3-32
Affordability Analysis II
Income Required to Afford Median Prices or Minimum Market Rents

Type of Property	Median Price*	Estimated Mortgage		Income Required	
		5% Down	20% Down	5% Down	20% Down
Single-family	\$295,000/2009	\$280,250	\$236,000	\$80,000	\$68,500
	\$250,000/2008	\$237,500	\$200,000	\$67,300	\$56,300
Condominium	\$165,300/2009	\$157,035	\$132,240	\$54,800	\$47,500
	\$202,700/2008	\$192,565	\$162,160	\$64,750	\$55,850
Two-family	\$300,000/2009	\$285,000	\$240,000	\$53,600	\$40,400
	\$300,000/2008	\$285,000	\$240,000	\$53,600	\$40,400
	Estimated Market Monthly Rental ***	Estimated Monthly Utility Costs	Income Required		
Rental					
One-bedroom	\$850	\$100		\$38,000	
Two-bedroom	\$900	\$135		\$41,400	
Three-bedroom	\$1,250	\$165		\$56,600	

Source: Calculations provided by Karen Sunnarborg.

* From The Warren Group Town Stats data

** Figures based on interest of 5.5%, 30-year term, annual property tax rate of \$11.48 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount, estimated monthly condo fees of \$250, and rental income of 75% of \$900 or \$675.

*** Lowest prices seen in September 2009 listings in Craigslist.

Table 3-32 looks at affordability from another angle, going from specific housing costs to income instead of the other way around as was the case in Table 3-31. Taking median price levels for single-family homes, condos and two-family homes, the incomes that would be required to afford these prices are calculated, showing the differences between 95% and 80% financing. For example, using the median single-family home price as of July 2009, a household would have to earn \$80,000 if they were able to

access 95% financing. If they could afford the 20% down payment, an income of \$68,500 would be required. The median condo price was \$165,300 in July 2009, requiring an income of \$54,800 with 5% down and \$47,500 with the 20% down payment. Once again, because of the income generated in a two-family home, this type of property is significantly more affordable. It is worth noting that the federal government has offered \$8,000 in subsidies to first-time homebuyers through the end of June 2010, which has helped promote sales in the lower price ranges and made homeownership more affordable.

In regard to rentals, using the lowest prices advertised in September 2009 on Craigslist, a one-bedroom unit renting for \$850 would require an income of \$38,000, assuming \$100 per month in utility bills and that housing expenses are no more than 30% of the household's income. Even so, someone earning minimum wage of \$8.00 for 40 hours per week every week during the year would still only earn a gross income of \$16,640. Households with two persons earning the minimum wage would still fall short of the \$38,000 income needed to afford this minimum advertised rent. While there are rents that fall below this level, particularly subsidized rents, market rents tend to be beyond the reach of those lower wage earners. This relative scarcity of affordable rentals, particularly those with supportive services, was identified as perhaps the foremost housing need in the June 2009 meeting convened by the Northampton Housing Partnership with representatives of local and regional housing program and service providers.

Through the combination of information in Tables 3-31 and 3-32, it is possible to compute the affordability gap, typically defined as the difference between what a median income household can afford and the median priced unit on the market. The affordability gap would then be \$20,000 as of July 2009 for single-family homes, the difference between \$275,000 (based on the extrapolated median income figure for a household of two and 80% financing) and the median house price of \$295,000. There is currently no affordability gap for condos as the household earning at median income can well afford the median priced condo. However, the high costs associated with obtaining mortgage financing or the up-front cash requirements of renting an apartment effectively widen the affordability gap.

Table 3-33 identifies how many single-family homes and condos are existing in Northampton to those within various income categories and shows that more than half of the single-family homes and more than 80% of the condos are assessed as being affordable to those earning at or below median income, representing considerable affordability in the housing stock based on a number of assumptions including 80% financing. Once again, the ability to obtain financing, including issues related to credit history and case requirements, can provide substantial barriers to accessing housing. It is also important to note that this analysis is based on assessed values of all properties in Northampton, not what is available on the market (see Tables 3-24 and 3-25 for recent market activity and prices).

Table 3-33
Affordability Analysis III
Relative Affordability of Single-family and Condo Units in Northampton, 2009

Price Range Single- family/Condo*	Income Range	Single-family Homes Available in Price Range		Condominiums Available in Price Range	
		Number	%	Number	%
Less than \$220,000/ Less than \$175,000	Less than 80% AMI	1,398	25.4	598	49.7
\$220,001-\$275,000/ \$175,001-\$230,000	80% - 100%	1,563	28.4	381	31.6
\$275,001-\$330,000/ \$230,001-\$285,000	100% - 120%**	929	16.9	121	10.1
More than \$330,000 more than \$285,000	More than 120%**	1,610	29.3	104	8.6
Total		5,500	100.0	1,204***	100.0

Source: Northampton Assessor's Database for fiscal year 2009. Please note that as a standard practice, assessed value is assumed to be 93% of actual value or potential sale price. Figures based on a three-person household.

* Includes estimated condo fee of \$250 per month and figures are based on 80% financing.

** Based on extrapolating 120% AMI from the 80% AMI HUD figure for a household of two (2) or \$74,550.

*** Does not include units at Laurel Park or in co-housing developments.

In addition to an analysis of affordability based on spending no more than 30% of a household's income on housing expenses and how this relates to the existing housing stock and financing terms, it is also useful to identify numbers of residents living beyond their means based on their housing costs. The 2000 census provides data on how much households spent on housing whether for ownership or rental. Such information is helpful in assessing how many households are overspending on housing or encountering housing affordability problems, defined as spending more than 30% of their income on housing. Based on 1999 data, the census indicated that 332 households or 6.5% of the homeowners in Northampton were spending between 30% and 34% of their income on housing and another 805 or 15.8% of owners were spending more than 35% of their income on housing expenses. In regard to renters, 332 renters or 6.0% were spending between 30% and 34% of their income on housing and *another 1,488 or 26.9% were allocating 35% or more of their incomes for housing.* This data suggests that about *3,000 households or one-quarter of all Northampton households were living in housing that is by common definition beyond their means and unaffordable.*

HUD provides additional data on housing affordability problems through its CHAS report that identifies cost burdens by household type and whether they are renters or owners, offering a breakdown of households within specific income categories as summarized in Table 3-34. This report, based on 2000 census data for Northampton, indicates the following:

- Of the 11,783 households counted, 3,052 or more than one-quarter were spending more than 30% of their income on housing and 1,337 or 11.4% were spending more than half their income on housing including 779 renters and 558 owners.
- There were 1,488 households earning at or below 30% AMI, referred to by HUD as extremely low-income households, and half were spending more than 50% of their income on housing including almost half of the renters and two-thirds of the owners in this income category.

- There were 1,213 households earning between 30% and 50% AMI, referred to by HUD as very low-income households, and almost 30% were spending more than half their income on housing including one-quarter of all renters and one-third of the owners.
- Of the 1,876 households earning between 50% and 80% AMI, which HUD defines as low-income households, 760 were spending too much on housing including 403 renters and 357 owners with 144 households spending at least half of their income on housing.
- *Altogether there were 4,577 households with incomes within 80% AMI suggesting that at least in 2000, almost 40% of all households may have qualified for housing assistance based on their income, without consideration for financial assets.*
- There were 818 renters and 1,658 owners over the age of 65, 630 of whom were experiencing cost burdens including at least 213 who were spending at least half their income on housing expenses.

Table 3-34
Type of Households by Income Category and Cost Burdens, * 2000

Type of Household	Households Earning < 30% MFI/# with cost burdens (# spending 50% or more)	Households Earning > 30% to < 50% MFI/ # with cost burdens *	Households Earning > 50% to < 80% MFI/# with cost burdens *	Households Earning > 80% MFI/ # with cost burdens *	Total/# with cost burdens *
Elderly Renters	263/98 (49)	242/119 (45)	149/39	164/4	818/260
Small Family Renters	199/145 (110)	145/65	279/85	580/35	1,203/330
Large Family Renters	4/4	16/4	27/4	45/0	92/12
Other Renters	749/459 (405)	330/285 (135)	665/275	1,624/29	3,368/1,048
Total Renters	1215//706(564)	733/473 (190)	1,120/403 (25)	2,413/68(0)	5,481/1,650(779)
Elderly Owners	142/118 (64)	293/154 (55)	283/48	940/50	1,658/370
Small Family Owners	63/59 (55)	119/70 (70)	280/200	2,690/239	3,152/568
Large Family Owners	4/4 (4)	4/4 (4)	58/19	364/39	430/66
Other Owners	64/60 (60)	64/54 (25)	135/90	799/190	1,062/394
Total Owners	273/241 (183)	480/282 (155)	756/357(119)	4,793/518(101)	6,302/1,398(558)
Total	1,488/946(747)	1,213/755(345)	1,876/760(144)	7,206/586(101)	11,783/3,052 (1,337)

Source: U. S. Department of Housing and Urban Development (HUD), SOCHS CHAS Data, 2000.

MFI indicates median family income.

*Cost burdens indicate that households are spending more than 30% of their income on housing. The CHAS data also provides data on those spending more than 50% of earnings on housing as indicated by parentheses ().

Large-family households are defined as having five (5) or more members, small families with two (2) to four (4) members.

Housing costs rose precipitously after 2000, and it is likely that even more households in Northampton experienced significant cost burdens over the past nine (9) years. Moreover, given recent housing finance problems associated with high cost mortgages from predatory lenders, it is likely that some homeowners in Northampton have even lost their homes or are confronting possible foreclosure. Recent information on the *level of foreclosures* indicates that from March through August of 2009, there

were 19 foreclosure actions in Northampton, including both petitions and auctions.²⁰ This level of foreclosure has decreased to seven (7) between January 1st to May 9th 2011, four (4) of which were actual auctions and three (3) involving petitions to foreclose, the initial stage of the foreclosure process.²¹

With CPA funding support (\$26,211 in 2008) as well as a grant of \$410,000 from the Community Foundation of Western Massachusetts (CFWM), based in Springfield, and \$5,000 from the state's Department of Banks (DOB), the Valley CDC has been providing counseling to those living in Hampshire County who are at risk or actually facing foreclosure. Last year the CDC provided this counseling to more than a hundred households, many of which were able to refinance their house or modify their existing mortgage.

3.2.6 Subsidized Housing Inventory Including Housing for the Homeless

Current Inventory

The state currently lists 1,452 affordable housing units in Northampton's state-approved Subsidized Housing Inventory, representing 11.8% of the total year-round housing stock of 12,282 units based on 2000 census data. Therefore, the city has passed the Chapter 40B 10% affordability threshold. This means that the City is exempt from comprehensive permit projects that would enable developers to override local zoning in exchange for meeting state guidelines.²²

Based on figures recently released as part of the 2010 Census Redistricting data, housing growth has increased the housing stock to 12,728 units according to the 2010 Census Redistricting data. If the percentage of year-round units remains about the same as the 2000 census, at about 1%, then Northampton's current inventory of affordable units will still surpass the 10% state target, at about 11.5%. However, the pending loss of 207 affordable units at Hathaway Farms would bring Northampton's SHI percentage down to 9.9% assuming no significant loss of additional SHI units. Recently completed projects involving 67 units will help offset this loss but Northampton will likely be very close to the 10% level only slightly over the 10% affordability goal to 10.4%.

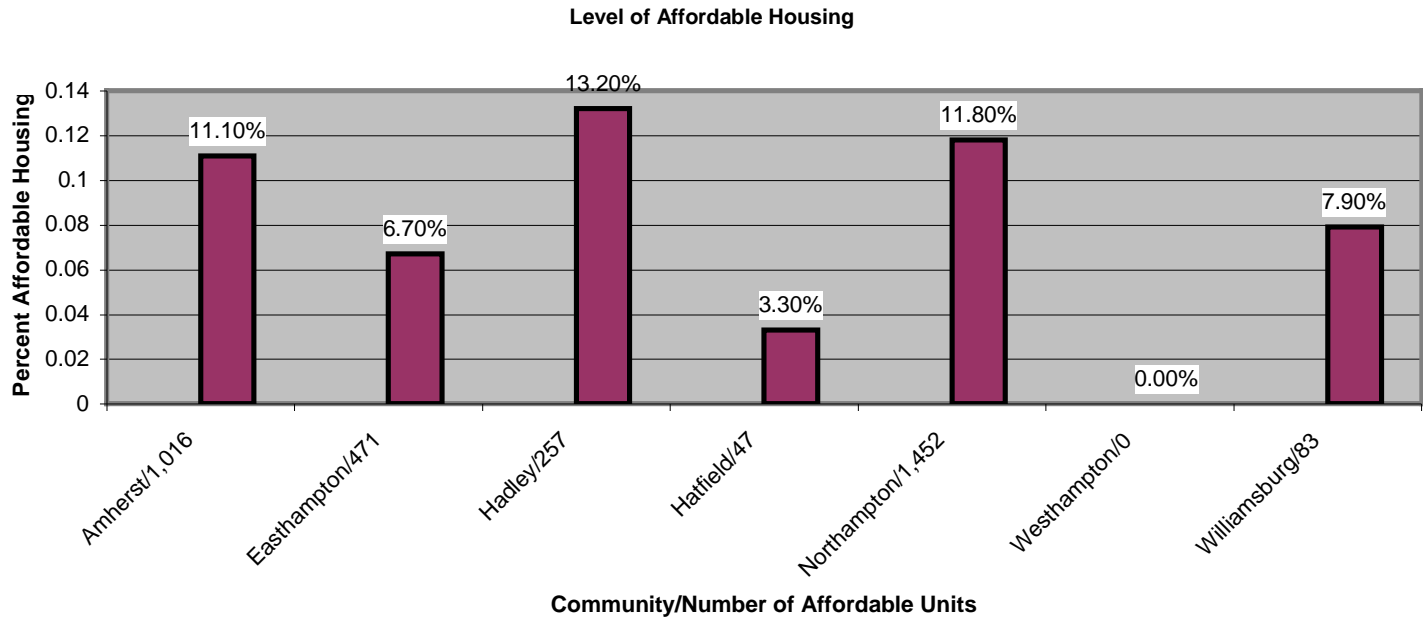
Unlike Northampton, most communities in the state are confronting challenges in boosting their relatively limited supply of affordable housing. Some of Northampton's neighbors, and their affordable housing levels are visually presented in Figure 3-4.

²⁰ Data available from ForeclosuresMass database.

²¹ Warren Group, May 9, 2011.

²² Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

Figure 3-4



Affordable housing production varies substantially among these communities with Amherst, Northampton and Hadley above the 10% state affordability thresholds, with Easthampton and Williamsburg in the middle at 6.7% and 7.9%, respectively, Hatfield at 3.3%, and Westhampton at zero although the town is in the process of developing some affordable housing.²³

Table 3-35 summarizes the units included in the Subsidized Housing Inventory (SHI), the list of affordable dwelling units that the state recognizes as eligible for counting towards Northampton's 10% state affordability goal. Almost all of Northampton's listed 1,452 SHI units are rentals (1,433 units or 98.7%), including 45 special needs units in group homes. Northampton has 25 units managed by the state's Department of Developmental Services (DDS) and another 20 Department of Mental Health units.

Table 3-35
Northampton's Subsidized Housing Inventory (SHI)

Project Name	# SHI Units	Project Type/ Subsidizing Agency	Use of a Comp Permit	Affordability Expiration Date
Florence Heights*	49	Rental/HUD (for families)	No	Perpetuity
MacDonald House*	60	Rental/HUD (seniors/disabled)	No	Perpetuity
Hampshire Heights*	80	Rental/DHCD (for families)	No	Perpetuity
Cahill Apartments*	64	Rental/DDCD (seniors/disabled)	No	Perpetuity
Forsander Apartments*	72	Rental/DHCD (seniors/disabled)	No	Perpetuity
Salvo House*	192	Rental/DHCD (seniors/disabled)	No	Perpetuity
State Street House*	6	Rental/DHCD (families)	No	Perpetuity

²³ The Town is producing seven (7) rental units for seniors with the Hilltown CDC, including four (4) affordable units and three (3) market ones as part of the first phase of a project that will ultimately include 20 total units.

Tobin Manor*	49	Rental/DHCD (seniors/disabled)	No	Perpetuity
Bridge Street House*	7	Rental/DHCD (special needs)	No	Perpetuity
Scattered Site*	8	Rental/DHCD, MHP (families)	Yes	Perpetuity
Millbank * NHA-owned units in existing condo	4	Rental/DHCD, HUD (families)	No	Perpetuity
Earle Street/Smith College – HAP/HER, Inc.	15	Rental (ESRO + a 2-bedroom)/ DHCD	No	2037
Florence Inn/Services Thru ServiceNet	14	Rental/FHLBB	No	2025
Hampshire Inn/Valley CDC	8	Rental (SRO's)/DHCD	No	Perpetuity
Hampton Court	77	Rental/DHCD	No	2025
Hathaway Farms	207	Rental/DHCD+MassHousing	No	2014
Leeds Village Apts.	19	Rental/MassHousing	No	2018
Meadowbrook Apts./ POAH refinanced expiring use project	252	Rental/MassHousing	No	2034
Millbank - Michelman/ Valley CDC	24	Rental/HUD, MassHousing + DHCD	No	2032
Pine's Edge	8	Ownership/DHCD	Yes	2031
Michael's House	86	Rental/MassHousing	No	2032
The Lorraine/HAP	20	Rental/DHCD	No	2030
Go West SRO/Valley CDC	17	Rental (Enhanced SRO's)/ DHCD	No	2035
Village at Hospital Hill Phase I – Hilltop Apts/ TCB	33	Rental/DHCD	No	2034
Ice Pond Drive/TCB	8	Mix/DHCD and HUD	No	2103
Valley Homes Project/ Valley CDC	4	Mix/DHCD and HUD	No	2016
New South Street Apt./ Valley CDC	18	Rental/DHCD and HUD	No	2027
Westhampton Road/ Habitat	6	Ownership/HUD	No	2057
DDS Group Homes	25	Special Needs Rental/DDS	No	NA
DMH Group Homes	20	Special Needs Rental/DMH	No	NA
SUBTOTAL (units on SHI)	1,452/ 1,245**	1,428 rentals 45 group homes 14 ownership 10 mix of ownership/rental	16 units used the comp permit	599 units (41%) with restrictions in perpetuity
Additional Units Eligible For SHI Project Name	# SHI Units	Project Type/ Subsidizing Agency	Use of a Comp Permit	Affordability Expiration Date
Village at Hospital Hill Hillside Place/TCB	36	Rental	No	Perpetuity
School Street/ Valley CDC	8	Rental/DHCD	Yes	Perpetuity
Yvonne's House	6	Special Needs Rental	No	Perpetuity
Paradise Pond/HAP	11	Special Needs Rental	No	Perpetuity

Mary McColgan Apts.*	6	Special Needs Rental	No	Perpetuity
SUBTOTAL (Units eligible to be added to SHI)	67	All rentals		
TOTAL	1,519/ 1,312**			

Source: Massachusetts Department of Housing and Community Development, June 1, 2009

* Northampton Housing Authority units ** Unit count without Hathaway Farms.

Table 3-35 also lists a number of additional developments that should be added to the Subsidized Housing Inventory that will bring the SHI total to 1,312 units or 10.4% of the city's year-round housing units,²⁴ this percentage also assuming the loss of 207 units at Hathaway Farms. As noted in the table, however, there are a couple of projects where the affordability restrictions are due to expire that might lead to some loss of SHI units in the future. Efforts should be made to monitor these expiring use units and intervene when necessary to maintain affordability.

The Northampton Housing Authority (NHA) manages a total of 618 units (42.6% of the SHI units), 26 of which are not included in the SHI including 20 units at Grace House Shelter and six (6) units of special needs housing at Mary McColgan apartments. A summary of NHA units is included in Table 3-36.

Table 3-36
Northampton Housing Authority Units

Development Name and Number*	# Units	Bedroom Size				Approved Off Line **	Of Total HP Modified
		1	2	3	4		
Hampshire Heights (200-1)	80	0	41	36	2	1	2
Florence Heights (26-1)	50	0	23	22	4	1	1^
McDonald House (26-2)	60	54	6	0	0	0	9
Cahill Apartments (667-1A)	64	64	0	0	0	0	0
Forsander Apts. (667-1B)	72	72	0	0	0	0	0
Salvo House (667-2A)	192	189	2	0	0	1	5
State St. House (167-1 and 705-3)	6	5	0	0	1	0	2
Tobin Manor (667-3)	49	47	0	0	2	0	3
Scattered Site (705-1)	8	0	0	8	0	0	1
Millbank Apts. (705-2)	4	0	4	0	0	0	4
Bridge St. House (689-1)	7	3	4	0	0	0	2
Grace House Shelter (689-2)	20	20	0	0	0	0	0
Mary McColgan Apts. (689-3)	6	6	0	0	0	0	2
Total	618	462	78	66	9	3	31

Source: Northampton Housing Authority, as of July 2009.

*Indicates type and round of financing. ** Units that are no longer occupied. ^ Indicates partially modified unit.

Table 3-37 also provides a breakdown of NHA units by the size of elderly or family housing (number of bedrooms). It also indicates the numbers of applicants on the wait list whose

²⁴ The number of year-round units is estimated by assuming that about 1% of the total housing stock will be for seasonal or occasional units, as was the case in 2000, and subtracts this amount from the 12,728 total housing unit figure released through the 2010 Census Redistricting data (12,728 – 128 = 12,600 year-round units).

eligibility has finally been approved and are ready to be housed and others who have been determined eligible on a more preliminary basis (income, family composition) but have not completed the full application process (landlord references, CORI, etc.). The family that has been waiting longest for a unit applied over two (2) years ago.

Table 3-37
Northampton Housing Authority Housing Unit Wait Lists

Program	Units	Bedroom	Final Approved Eligibility*	Preliminary Eligibility/Pending**
Federal Elderly	60	1	34	42
State Elderly	379	1	14	49
State Family	45	2	8	22
State Family	42	3	3	21
State Family	2	4	2	12
Federal Family	50	All	4	55
Total	578	--	65	201

Source: Northampton Housing Authority, as of July 1, 2009. *Indicates that applicant's eligibility has been verified.

**Indicates that the determination of eligibility has not been finally verified.

In 2008, NHA had a tenancy turnover in about 100 units, most of them for the elderly/disabled. There is no accurate measure of the average time on the wait list. Applicants 62 or older go to the top of the state elderly waiting list, above younger applicants with disabilities age 55 to 62, and above those younger than that as well. If you are a victim of domestic violence or homeless due to no fault of your own, you would jump to the top of the appropriate list. (go back to notes?) The applicant that has been on any of the elderly wait lists the longest applied more than two (2) years ago.

More than half of the tenants in elderly housing have a disability. This includes a substantial number of veterans with substance abuse problems and a large number of Department of Mental Health (DMH) clients. NHA has been particularly challenged by youth who "age-out" of the state's Department of Social Services facilities, qualify as disabled and need to find new and affordable places to live, as they are frequently disruptive and destructive. Although there is an allowable state cap of 13% younger disabled in elderly housing, the NHA typically houses between 30 and 40%.

Of the actual senior population living in NHA housing, approximately 80% are White, almost 20% are Hispanic the remaining few are Black or African-American. In regard to family housing, about 50% of the tenants are Hispanic, 40% White and about 10% Black or Asian. As indicated in Table 3-5, Northampton has historically had a very small minority population, Black or African-Americans in particular.

NHA also administers leased housing programs that offer rental subsidies to qualifying households renting units in the private housing market, filling the gap between an established market rent – the Fair Market Rent (FMR) – and a portion of the household's income.²⁵ The number of rental subsidies by program is summarized in Table 3-38.

²⁵ Northampton uses 110% of HUD's FMR as its payment standard.

**Table 3-38
Number of Rental Subsidies by Program**

Rental Subsidy Program	Number of Units/Vouchers
Section 8 Program/federal program	153
Hathaway Farms – Section 8 Preservation/ federal program	95
Mobile Rental Voucher Program/state program	25
Alternative Housing Voucher Program/state program	9
Florence Inn – Section 8 Moderate Rehab/ Federal program	14
The Maples – Section 8 Moderate Rehab/ For Homeless/federal program	11
Total	307

Source: Northampton Housing Authority as of July 2009.

There is substantial demand for NHA rental subsidies. The last time the NHA opened its wait list was in October 2006, when they had 700 applicants. In 2008, NHA purged this list, eliminating a majority of applicants, but the last person offered a voucher was in October 2006. NHA still has 140 applicants on the wait list, 31 with a preference, meaning that they live or work in the NHA jurisdiction that includes Belchertown, Easthampton, Williamsburg, Goshen, Cummington, Huntington, Westhampton, Middlefield and Chesterfield in addition to Northampton. The Authority believes that it will work through its existing waitlist by 2012 and will not likely open it again until the summer of 2011. Therefore, it will probably have taken the last person left on the current waitlist about six (6) years to receive a voucher – a very long wait.²⁶

Another important partner in housing development is the Valley CDC with 85 units in five (5) separate projects and another recently completed project at 46-48 School Street that should be added to the SHI. This development includes eight (8) rental units and used the Chapter 40B comprehensive permit process, a relative rarity in Northampton. It involved a combination of rehab and new construction and multiple sources of financing including HOME funds, state Housing Stabilization Funds, CDBG, Commercial Area Transit Neighborhood Improvement Program (CAT-NIP), and the Smith College Affordable Housing Fund. They are in the process of redeveloping another property on North Maple Street²⁷ and developing an Enhanced SRO on King Street that will create 10 affordable ESRO units. The organization also provides a wide range of other housing and economic development programs and services as described in Section 3.5.

HAPHousing (formerly known as HAP, Inc.), the regional non-profit housing organization has also been involved in property development and management in Northampton. The organization acquired The Lorraine, a 28-unit rental project which it continues to manage (20 of the units are eligible for counting in the SHI, the rest being unsubsidized but with fairly low rents), as well as the Paradise Pond Apartments that provides one (1) transitional unit as well as 11-units of permanent family rental housing. HAP also administers the American Dream Downpayment Assistance Program that provides closing cost assistance for first-time homebuyers.

²⁶ This timeframe assumes that many on the list have found housing elsewhere since 2006.

²⁷ The Valley CDC already owns this SRO property at 16 North Maple Street and will be renovating it.

The Community Builders (TCB) is the residential developer of the first phase of Village Hill (the redevelopment of the former Northampton State Hospital), Ice Pond Drive, a 26-lot subdivision. The project contains six (6) affordable homes and two (2) accessory apartments. The remaining lots were developed as market rate housing and serves as a model for mixed-income development.



Photo: Dietz & Company Architects, Inc.

Ice Pond Drive – First Phase of the Village Hill Development

TCB also developed 33 units of rental housing through the Hilltop Apartments development as well as another 40-unit rental development at Hillside Place. MassDevelopment has become the master developer of the rest of the Village Hill project. The Village Hill project involved a Smart Growth Overlay District that was approved as part of the state's Chapter 40R regulations (see Appendix 4 for more details on 40R). A Request for Proposals was issued for 25 bungalow units to be developed as workforce housing in the \$250,000 to \$350,000 price range.

It should also be noted that considerable additional work has already occurred at the former Northampton State Hospital site, beyond The Village Hill development. Four (4) parcels were deeded directly to Northampton Housing Authority (NHA), the West Street parcel behind the former Jessie's House was developed as the Paradise Pond Apartments by HAP, the Grove Street parcel was developed for Department of Mental Health (DMH) clients, the Burts Pit Road parcel is slated for use by Department of Developmental Services (DDS), and the Laurel Street parcel is planned to be developed for homeownership.



Photo: Dietz & Company Architects, Inc. **Village Hill – Hillside Place Apartments**



Photo: Dietz & Company Architects, Inc. **Village Hill – Hilltop Apartments**

Pioneer Valley Habitat for Humanity has completed or is in the process of developing three (3) projects on sites the City acquired for limited development, involving open space preservation as well. These projects include:

- Six (6) new homes on Westhampton Road that provides a neighborhood housing buffer from a planned landfill expansion as well as a tot-lot and walking trails. Another market rate lot was sold to help defray project costs.
- Two (2) condo units on Ryan Road.
- Five (5) single-family homes are being built on Garfield Avenue.

Additionally, the organization has completed two (2) condos on Pine Brook Curve, one (1) single-family home on Cahillane Terrace, and another two condos at Vernon Street and Forbes Avenue, which are not included in the SHI.

Homeless Housing Options

While not eligible for counting as part of the City's Subsidized Housing Inventory because they are not permanent units but temporary housing, the City has two (2) year-round emergency shelters for individuals:

- *Grove Street Inn*
Originally a farmhouse that was part of the Northampton State Hospital, the building is now owned by the City of Northampton and operated by ServiceNet, Inc. It has capacity for 20 to 24 beds for both men and women and is always full, with an average of 40 to 50 people on the wait list.
- *Soldier On in Leeds*
This 125-bed facility is located at the Veterans Administration Campus in Leeds and is administered by Soldier On. The shelter and transitional housing programs serve veterans throughout the New England area.

The City also acquired a permanent site at 43 Center Street for the Hampshire County Interfaith Program as a winter overflow shelter and drop-in program for the homeless. The programs are administered by ServiceNet, Inc. A local 501(c)(3) organization, Friends of the Homeless, assists with fundraising, peripheral support programs, oversees the 400-member volunteer network, and purchased Northampton's first Housing First facility.

Approximately 42 families are served annually in Amherst. Northampton also has an emergency shelter for families through Safe Passage, serving five (5) families who have been victims of domestic violence. Jessie's House is the only other family shelter in Hampshire County but can only accommodate eight (8) families, although 90 requests to live there are received monthly.

The city also has several transitional programs that provide housing and support services for a period of up to two (2) years. The need for next step housing beyond shelter has been long-standing in Northampton. Homeless people get stuck in the emergency shelter system as there are few options to transition into. Fortunately there is a Housing First Model being embraced in the region that will begin to transform this lack of permanent housing with supportive services. The current transitional housing options include the following:

- Grace House, serving nine (9) women in recovery and their children;
- Hairston House provides a sober house for up to 17 adult men, staying for an average of three (3) to six (6) months;

- Soldier On Transitional Housing for 45 veterans, a sober program;
- The Valley Inn had been operated by ServiceNet Inc. for homeless people with mental illness (has 12 rooms and served approximately 25 annually) and was recently closed (ServiceNet opened 2 other houses at other locations to accommodate the occupants of the Valley Inn);
- The YWCA Transitional Living Program for formerly battered young mothers with children with a capacity of five families at any time;
- The Florence Inn, owned and operated by ServiceNet, for formerly homeless men and women with 14 rooms; and
- Paradise Pond, developed by HAP, Inc. includes 11 units of family rental housing and one (1) transitional unit. Grace House provides supportive services.

There is outstanding demand for “next step” housing serving the more generic population beyond those for veterans or with mental health or substance abuse problems towards which most of these units are targeted. New development will focus on creating “housing first” programs of providing permanent housing for homeless individuals and families with supportive services.

Projects in Development or Recently Completed

There are other affordable housing units that are being developed including the following:

- *16 North Maple Street (The Maples)*
The Valley CDC has completed the renovation of this 11-unit SRO with Project-based Section 8 subsidies via federal McKinney funding. A commitment of \$250,000 from CPA was received in January 2009, and \$950,000 from DHCD was secured in January 2010. The project provides housing for both men and women exiting from homelessness.
- *98 King Street*
The Valley CDC acquired this property with the assistance of a CEDAC acquisition loan to develop ten (10) enhanced SRO units. Valley has a commitment of \$225,000 from CPA. The Smith College Affordable Housing Fund is providing \$550,000 in funding to support the project. The CDC was awarded \$650,000 in state funds and \$500,000 in federal HOME funds. Applications are being taken for a July 2011 completion.
- *Additional Phases of Village Hill*
MassDevelopment required changes in the project’s Master Plan for the next stage of the development. A total of approximately 25 new bungalow units will be built with a mix of market and workforce units with prices ranging from \$250,000 to \$350,000. A total of 327 housing units have been approved for the Village Hill project in total and per the requirements of the Land Disposition Agreement the project sponsor must make reasonable efforts to include a mix of low, affordable and market rate housing and to ensure that 15% of the units are made available to clients of the Department of Mental Health (DMH).
- *Bedford Terrace*
This project was developed as replacement housing by Smith College. The project included the renovation of an existing building and new construction, for a total of 26 units, 24 of which are affordable but cannot be counted in the SHI because a lottery was not conducted.



Photo: Dietz & Company Architects, Inc. **Bedford Terrace Replacement Housing**

- *Smith College Affordable Housing Fund*
 Smith College agreed to create a fund to develop replacement housing for the market rate affordable housing that would be demolished to accommodate campus expansion. This commitment was codified in a development agreement, crafted by the City, the College, and area housing advocates. Smith owned 66 units in the West Street neighborhood, and 26 units were eliminated in the first phase of construction but replaced at Bedford Terrace.
- *The Oaks*
 This privately-developed subdivision received waivers from the Northampton Planning Board, and as a condition of approval, the Planning Board required that of the 70 total homeownership units, eight (8) to ten (10) be developed as affordable. This project is currently moving forward.
- *Paradise Pond*
 As mentioned above, this project on former State Hospital land was conveyed to the Housing Authority and developed by HAP, Inc. into a mix of 11 permanent housing units for families and one (1) transitional family unit. The adjacent Grace House provides support services. The City earmarked \$112,500 in CDBG towards the project, which has been completed.
- *Laurel Street*
 This Housing Authority project hopes to include six (6) duplexes for a total of 12 units on a former Northampton State Hospital parcel. State legislative approval is required to change the use stipulated in the Disposition Agreement from rental to ownership.

- *Leeds Veteran Village*
Soldier On is in the conceptual stages of developing a limited equity housing project to create permanent affordable housing for formerly homeless veterans on the VA campus in Leeds. Soldier On is in the preliminary stage of developing the project and 60 to 80 units are proposed.
- *Garfield Avenue Habitat Project*
The Pioneer Valley Habitat for Humanity is in the process of developing five (5) single-family homes on Garfield Avenue in Florence. Construction has begun on this limited development project initiated by the city. A market rate lot will be retained and sold by the City to seed future projects. Two (2) units have been completed to date.

3.3 Priority Housing Needs

Based on input from a wide variety of sources,²⁸ the following priority housing needs have been identified:

3.3.1 Homelessness Prevention

There is documented evidence that it is far less costly to preserve tenancies than to provide shelter and services to those who have lost their housing. A recent report compiled by the Cape Cod Commission tracked 51 individuals over the course of a one-year period and found it cost almost \$50,000 annually to provide emergency housing and services to the homeless.²⁹ The *All Roads Lead Home* Plan to end homelessness indicates that Massachusetts pays an average of \$2,940 per month to maintain a family in a homeless shelter, not including case management and services, which typically costs about \$50,000 per family given stays of 15 months on average.

The Tenancy Preservation Program, special federal funding such as the Homelessness Prevention and Rapid Re-housing Program (HPRP), tenant and landlord mediation efforts, regional networks for rapid re-housing, and other housing stabilization programs are highly effective ways to preserve housing for those at-risk of homelessness. Providing cash assistance for rent or utility arrearages to keep an individual or family in their current housing is the most cost-effective response to preventing homelessness. As the *All Roads Home Plan* further states, "Prevention must be a key part of our strategy, because it is humane, cost-effective, and critical to ending homelessness".³⁰

3.3.2 Shelters and Rapid Re-housing Efforts

For those who become homeless, Northampton does have a number of emergency and transitional shelters that are listed above in Section 3.2.6. These temporary shelters have reflected a crisis management response to helping the homeless, saving many lives. Agencies

²⁸ Resources include visioning analysis during the preparation of the Sustainable Northampton Comprehensive Plan, the development of Northampton Vision 2020 and the Grow Smart Northampton Plan, Executive Order 418 certification process, Three County Continuum of Care Goals and Objectives, the HUD Consolidated plan, consultations with service providers, feedback from public forums, and interviews.)

²⁹ Lee M. Hamilton, "Costs of Homelessness: A Study of Current and Formerly Chronically Homeless Individuals on Cape Cod, Massachusetts", February 2009.

³⁰ "All Roads Lead Home: The Pioneer Valley's Plan to End Homelessness", supported by the cities of Holyoke, Northampton and Springfield, MA, and funding from One Family, Inc. for the Pioneer Valley Committee to End Homelessness (PVCEH), February 2008, page 2.

and organizations have focused on providing services and programs to move sheltered individuals and families into permanent housing. The *All Roads Lead Home Plan* indicates that there is a regular ongoing movement of homeless people from one shelter to another up and down the I-91 corridor, either in search of additional services or better shelter. The Plan goes on to say that this movement in fact extends the period of homelessness as caseworkers start over at each new location, the homeless lose ties to family and friends who may provide support, address changes mean lost mail, and health care and mental health services are disrupted.

Northampton's HUD Consolidated Plan indicates that wait lists for the City's shelters continue to grow and offers the following information regarding the homeless population:

- About 10% to 15% of shelter guests are young adults who require more intensive case management given their high level of need, lack of income and inadequate life skills. Northampton also has experienced a relatively high number of transient gay, lesbian and bisexual youth entering the shelter system.
- About 25% of those in the shelter system are women, many who have experienced domestic violence and may be lacking employment histories or job skills.
- Typically about 10% of shelter guests are veterans, many who are not eligible or are resistant to VA services.
- About 35% of emergency shelter guests are chronically homeless.
- The staff of Eliot Services estimate that there are generally between 5 and 15 unsheltered individuals on the street at any time and approximately 30 more doubled-up with friends or family. These numbers swell during the summer, particularly for homeless youth.
- DMH also estimates that on average there are 35 to 50 people with severe mental illness, often with substance abuse problems as well, who are at risk of homelessness annually and require subsidized housing. The homeless mentally ill make-up 10 to 20% of the sheltered population.

There has been a shift from focusing all resources on crisis management to one that focuses on diversion and prevention. The region is embracing a Housing First model that provides wrap-around services as a better solution than an emergency shelter admission. The model is based on the premise that vulnerable and at-risk homeless families and individuals are more responsive to interventions and social service support *after they are in their own housing*, rather than in shelter. With permanent housing, people can begin to regain the self-confidence and control over their lives that they lost when they became homeless. More specifically the model creates a time-limited relationship designed to empower participants and foster self-reliance.

The Housing First intervention 1) helps the homeless move directly to affordable rental housing in residential neighborhoods as quickly as possible and 2) then provides six months to one year of individualized, home-based social services support "after the move" to help each household transition to stability. The cost of this strategy is about \$16,000 per year, significantly less than the costs of emergency shelter and services. In this model, chronically unstable individuals and families are provided with a deeply subsidized housing unit and supportive services, which may include case management, health and mental health care, drug and alcohol counseling, job counseling and placement, life skills classes, financial literacy training, parenting classes,

children's programs and support groups, etc. Studies have demonstrated that more than 80% of households served by a Housing First program achieve and maintain housing stability.

This program is being implemented in the Pioneer Valley, coordinated by the Western Massachusetts Network to End Homelessness (WMNEH) of which the City of Northampton is a participant. This organization is one of ten (10) regional entities that have been funded by the state's Interagency Council on Housing and Homelessness (ICHH). Progress has been made in Northampton on the development of Yvonne's House for the chronically disabled. Yvonne's House offers supportive housing for six (6) chronically homeless individuals with special needs. The Friends of Hampshire County Homeless raised private donations and received the necessary CPA funds to purchase this house. It then donated the property to ServiceNet, Inc. to be used as a safe haven for the most vulnerable of those experiencing homelessness. The project sponsors are now proposing a second similar project.

3.3.3 Producing and Preserving Affordable Housing

Finally, the City needs to focus on *increasing the supply of housing at a variety of levels of affordability, including both rental and homeownership options*. Many of the existing affordable units are included in the Subsidized Housing Inventory summarized in Table 3-33 or rented on the private market through rental subsidy programs that make up the difference between a fair market rent and what a low- or moderate-income household can afford.³¹ There are other existing units that while not subsidized, still should be preserved to the greatest extent possible as they provide some level of relative affordability and help diversify the housing stock. The City needs to work with private sector stakeholders to devise strategies that preserve this broader range of affordable housing options.

The City's HUD Consolidated Plan presents housing needs related to housing the homeless as well as increasing the supply of affordable, permanent housing³² units for various levels of affordability that include the following, with some minor changes:

- *Rental housing for individuals*
A priority will be providing housing for those whose incomes do not exceed \$1,000 per month, what the federal government calls living at 100% poverty level. There is a clear need for enhanced SRO units, efficiency or studio apartments, or one-bedroom units for those with lower-paying jobs who are encountering serious difficulty finding housing that they can afford in Northampton. Some of these individuals have disabilities. Some are younger, looking for opportunities to live in Northampton, while others are older, perhaps divorced with children who moved out on their own. Some are trying to reenter the community after a period of incarceration, others are recent immigrants working in local businesses with limited pay. Some have struggled with homelessness. What they all share is the need for a safe, decent and affordable place to live.

³¹ It should be noted, however, that those with Section 8 housing vouchers, or with rental subsidies from other comparable programs, have experienced difficulties in finding suitable housing in the private market because of high rents.

³² "Permanent housing" refers to units that are created for year-round use where the terms of occupancy are granted through a lease, in the case of rental housing, or a title/deed, in the case of homeownership.

Indications of Need:

Single-person households comprised a substantial portion of the population, about 37% of all households and 74% of non-family households in 2000, and are projected to continue to increase in number and proportion to all households. Despite the population housed in group quarters, there still remain another one thousand single-person households that rely on the existing housing stock.

About half of all residents over 65 lived alone.

Thirty-two percent (32%) of elderly renters, or 260 seniors earning at or below 50% of area median income, were paying too much for housing including almost a hundred or 11.5% who were spending at least half of their income on housing.

Most seniors earning fixed incomes and relying substantially on Social Security find that when they lose their spouse, their income may not be sufficient to afford their current housing and other expenses.

There are at least two-year waits for those seniors applying to live in public housing.

Using the lowest prices advertised in September 2009 on Craigslist, a one-bedroom unit renting for \$850 would require an income of \$38,000, assuming \$100 per month in utility bills and housing expenses of no more than 30% of the household's income, much higher than what most renters can afford. For example, someone earning the minimum wage of \$7.25 for 40 hours per week and every week during the year would still only earn a gross income of \$15,080.

The 2000 rental vacancy rate was 2.9%, representing extremely tight conditions and little turnover in the rental market.

The Northampton Housing Partnership has undertaken a series of interviews with housing providers and those serving the homeless since 2005, including a meeting on June 23, 2009 as important input into this Housing Needs Assessment. Through these discussions, new Single Room Occupancy (SRO) units, providing single rooms for individuals, and the Safe Haven Program, offering housing for the chronically homeless mentally ill, were identified as priority needs. The City has lost more than half of its SRO housing stock over the past few decades, most recently 21 units at Augies on Hawley Street due to fire. A typical SRO rents for about \$300 to \$400 per month, and many offer weekly rates as well, serving as valuable sources of affordable housing for low-income individuals. The Valley CDC renovated a 17-unit enhanced SRO project in Florence in 2005 with some limited supportive services.

- *Rental housing for families*

There is also a significant need to house families, *particularly those earning within the poverty level*³³ and growing numbers of smaller households that are increasingly including single parents with children as well as unrelated individuals.

Indications of Need:

The average household size of 2.14 people per dwelling unit in 2000, is projected to decrease still to 2.04 by 2014. This trend towards smaller households is driven by decreases in the numbers of children and more “traditional” families with accompanying increases in “child-free” and “child-delayed” families. There have also been increases in empty nesters and senior and frail populations.

There are also substantial numbers of two-person households that are now estimated to comprise almost 4,000 households, or about one-third of all households, yet smaller housing units are in short supply.

Almost half of the households with children were headed by one parent (82% of these involved unmarried parents or single mothers), suggesting a compelling need for affordable family housing for families with only one income.

In 2000, 27.4% of all small family renters, or 330 families, were spending too much on housing costs, including 110 families earning at or below 30% AMI.

The wait for a unit in one of the Northampton Housing Authority’s family rental developments is at least two (2) years, including substantial waits for larger families looking for three- and four-bedroom units

Realtors indicate that there are very few three- and four-bedroom apartments that come on the market and are suitable for larger families.

There is substantial demand for NHA rental subsidies with waits of about six (6) years to obtain a voucher.

Rental costs are high. Advertised two-bedroom apartments start at \$900, requiring an income of about \$41,400 (this is based on \$135 in monthly utility costs and that housing costs are no more than 30% of the household’s income). This rent is beyond most lower income household’s ability to afford. Also, landlords typically expect first and last month’s rent and a security deposit when the lease is signed, a sum that blocks many households from finding decent housing.

Given a 2.9% vacancy rate, the housing market is very tight and units are hard to find.

³³ The 2009 poverty guidelines are \$10,830 for an individual, \$14,570 for a 2-person household, \$18,310 for 3 persons, \$22,050 for 4 persons, \$25,790 for 5 persons, \$29,530 for 6 persons, \$33,270 for 7 persons, and \$37,010 for 8 persons with an adjustment of \$3,740 for each additional person for families with more than 8 persons.

- *Preservation of the existing affordable rental stock*

The preservation of existing affordable rental units is essential to maintaining an affordable housing stock well into the future. This rental housing, including both units that are subsidized and in the private housing market, is more cost effective to rehabilitate and maintain than to build new. Moreover, efforts are needed to maintain affordability restrictions on subsidized housing in perpetuity to the greatest extent possible, so as not to lose affordability based on expiring use restrictions.

Indications of Need:

Northampton's rental housing stock has been eroded over the last several decades due largely to condo conversions or the elimination of rooming houses or downtown hotels that catered to lower income individuals.

No new unsubsidized rental housing has been built with the exception of accessory apartments.

Subsidized rental developments have been relatively small in scale and number with the exception of developments at the former State Hospital site.

Northampton has a number of housing units in its Subsidized Housing Inventory where affordability restrictions are due to expire within the next decade.

All strategies that preserve existing rental housing, at all affordability levels, should be explored. Because preservation is so cost-effective compared with the creation of new rental units, this needs to include supporting private sector providers as well as those in the Subsidized Housing Inventory. It is also useful to note that many private landlords may be in fact subsidizing their tenants, keeping rents at below market value to enable their tenants to remain in their units.

- *Housing rehabilitation resources*

Many low- and moderate- income homeowners lack sufficient resources to properly maintain their homes and address substandard housing conditions. Improvements should incorporate modifications to improve handicapped accessibility and eliminate lead-based paint and housing code violations.

Indications of Need:

A substantial portion of Northampton's housing stock, 45.4% or 5,638 units, was built before 1939. Almost another 30%, or 3,484 units, was built between 1940 and 1970, with another 1,500 units built between 1970 and 1980. Because of the relative age of the existing housing stock, it is likely that many units may have remnants of lead-based paint and/or deferred housing maintenance needs.

Only 31 of the Housing Authority's 618 units are modified to be accessible to the physically handicapped. The wait list is only between three (3) and five (5) applicants but turnover is rare.

As noted in the City's HUD Consolidated Plan, when the issue of accessibility is coupled with affordability, choices become severely diminished for families or individuals looking for such housing. They may become at risk of homelessness.

The Council on Aging has noted some demand within their home repair program to address accessibility issues in homes occupied by non-elders.

- *Affordable homeownership for families*
Market conditions have placed the purchase of homes beyond the financial means of low- and moderate-income households and families need opportunities to “buy up” as their families grow. Infill development and the redevelopment/reuse of existing properties in partnership with non-profit organizations and private builders offer the best options for increasing affordable homeownership opportunities in Northampton.

Indications of Need:

The large gap between incomes and the entry cost for homeownership forces first-time homebuyers to look elsewhere for housing they can afford to buy. A household has to earn at least at the median income level to afford to purchase a home in Northampton. Without a subsidized mortgage, this household would also have to come up with a substantial amount of cash, now more typically a down payment of 20%, blocking many who seek to own a home. Credit problems also pose substantial barriers to homeownership.

While condo prices are lower, it has become very difficult to obtain financing for condominiums and monthly fees raise housing expenses, limiting how much that can be borrowed.

Almost all of the City's existing subsidized housing units are rentals.

Prior generations have had the advantage of GI loans and other favorable mortgage lending options with reasonable down payments. Also, in prior years the average home price to average income ratio was much lower than it is today, making homeownership more accessible. Given current economic conditions, the ability to obtain financing will likely become only more challenging for today's first-time homebuyers without subsidized homeownership.

The 2000 vacancy rate for homeownership units was less than one percent, reflecting very tight market conditions. Since then the market has not softened substantially in Northampton despite the financial crisis, and housing costs remain out of reach for those earning at or below 80% AMI.

- *Housing for at risk and special needs populations*
Housing should continue to be developed to serve those who are at risk of homelessness and/or have special needs that require supportive services. Providing stable and affordable opportunities for those transitioning out of shelters or special programs remains a high priority.

Indications of Need:

The relative scarcity of affordable rentals, particularly those with supportive services, was identified as perhaps the foremost housing need in the June 2009 meeting convened by the Northampton Housing Partnership with representatives of local and regional housing program and service providers.

The City and region are pursuing the Housing First model as an alternative to the current emergency and transitional shelter system. Permanent housing needs to be built to provide much needed rapid response units.

Northampton's Consolidated Plan indicates that wait lists for the City's shelters continue to grow.

While the decreases in poverty levels appear to be a healthy signal that the City's population is doing better economically, it may also be that those of the most vulnerable residents living in Northampton in 1980 have been forced to leave the City in search of more affordable living conditions elsewhere, most likely to Holyoke or Springfield. The ability to provide affordable housing options for those with very limited incomes who have lived or currently live in the community and want to continue to do so is a continuing challenge and a pressing need.

Other indications of need are listed in Section 3.3 above under emergency and transitional shelters and rapid re-housing efforts.

- *Look beyond traditional housing models and methods*

The Sustainable Northampton Comprehensive Plan suggests that the City look beyond more traditional models of housing development, including affordable housing, to promote alternative living options to meet a variety of local needs. This would allow the City to better match priority needs with affordable living options. Such models might include, but are not limited, to the following:

- Housing that allows occupants to both live and work in their units, which is particularly responsive to the needs of Northampton's artists.
- Mixed-income developments that incorporate two (2) or more income tiers to accommodate different affordability levels. For instance, workforce units that serve those earning between 80% and 120% of area median income and market units to help cross-subsidize the affordable ones should be developed.
- Options for detached housing, such as cottage housing developments, to increase density in designated locations and serve the community's increasing smaller households.
- Green and sustainable design alternatives.
- Examine and modify zoning to make regulations supportive of innovative ways to meet housing needs.

Indications of Need:

Even those with incomes above the median are priced out of most housing that becomes available in Northampton. Increased challenges in accessing financing only exacerbate the problem of affordability in Northampton. Consequently, the City should

also find opportunities to provide housing for those earning above 80% of area median income but still priced out of the private housing market.

Northampton has had a significant artist community, which is challenged to find workspace and living quarters on what are typically limited incomes.

The average household size of 2.14 people per dwelling unit in 2000 is projected to decrease still to 2.04 by 2014, driven by decreases in family size, the numbers of children and more “traditional” families, and increases in “child-free” and “child-delayed” families, especially increases in empty nesters and senior and frail populations.

There are substantial numbers of two-person households with unmet housing needs as such households are estimated to comprise about one-third of all households, or about 4,000 households, yet smaller housing units are in short supply.

Green design and building techniques substantially reduce ongoing property maintenance costs through much lower energy bills, thus ensuring greater long-term sustainability of affordable housing.

4. CHALLENGES TO DEVELOPMENT

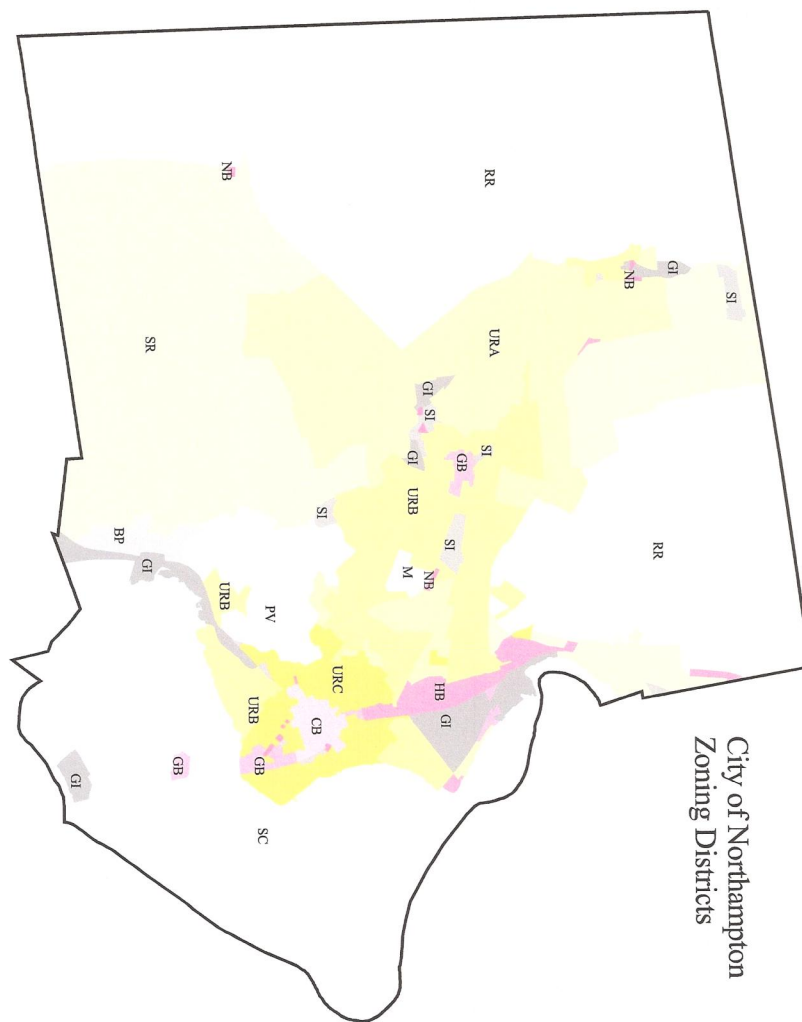
While Northampton has made considerable progress with respect to creating affordable housing, there continue to be formidable challenges to developing such housing including the following:

- *Community Perceptions*
In most communities, residents are concerned about impacts that new development has on local services and quality of life. They may also have negative impressions of affordable housing and question whether there is a real need for such housing. Therefore, local opposition to new affordable developments is more the norm than the exception. On the other hand, given still high real estate prices, more people are recognizing that the new kindergarten teacher, their grown children, or the elderly neighbor may not be able to afford to live or remain in the community. This Housing Plan documents a range of pressing housing needs through the Housing Needs Assessment. Ongoing community outreach and education will be necessary to better acquaint the community with housing needs and garner local support and ultimately approvals for new housing initiatives.
- *Transportation*
Given its size, public transportation is limited in Northampton as the City does not have mass transit. Public bus routes are largely directed to stops along Route 9/10. In the mid to late 1980s, a special bus route was established to provide service to residents of Florence Heights, a 49-unit family housing development owned and operated by the Northampton Housing Authority. Recently bus service was extended to the Village Hill development. Owning and maintaining a car is beyond the means of many low- and moderate-income households. Continued efforts to direct housing in areas that are closer to public transportation and expand transportation to support growth areas will be a required component of a coordinated service delivery system.
- *Expiring Use*
There are a number of affordable housing developments where affordability requirements are due to expire in the near future or long-term. Thus it is likely that the City will lose units on the Subsidized Housing Inventory. The City should explore options for maintaining affordability if at all possible, intervening as necessary. In fact, 252 rental units at the Meadowbrook Apartments were purchased and refinanced by Preservation of Affordable Housing (POAH). The City was very proactively involved in brokering this acquisition, as it was with Hathaway Farms and the creation of the Affordable Housing Trust Fund. The Fund was established to provide rental subsidies to households earning at or below 60% of AMI to continue affordability after the conversion to market rates. Although the Fund is now exhausted, it yielded an additional eight (8) years of affordability for 55 households.
- *Condo Conversions*
The conversion of rental properties to condominiums has been a concern for many interested in promoting more housing diversity and affordable housing in Northampton. There was a considerable amount of such conversions in the 1970s and 1980s. The City attempted to

establish a moratorium on condo conversions, which the City Council did not ultimately approve. Given current market conditions, condo conversions have stopped altogether. It has also become extremely challenging to secure financing for condos as lenders are applying much more rigorous lending criteria. Additionally, some condo associations may be in trouble because, with the down economy, owners are failing to pay condo fees or assessments, putting entire developments in jeopardy. Once the economy picks up, however, it is probable that there will once again be renewed interest in condo conversions that erode the community's supply of market rate affordable rentals.

- *Zoning*

As is the case in most American communities, a zoning by-law or ordinance is enacted to control the use of land including the patterns of housing development. Northampton's Zoning Ordinance includes 22 zoning districts, which include five (5) residential, a suburban zone (SR) and three (3) urban residence (UR) zones – A, B and C as shown below in the zoning map.



The Zoning Ordinance permits various residential uses as follows:

- Single-family units are allowed by-right in all residential zoning districts.
- Two-family dwellings with a shared front entrance are not permitted in the RR, SR and URA districts but are allowed by-right in the URB and URC Districts and with Planning Board approval in the Neighborhood Business (NB) District.
- Other two-family dwellings meeting all dimensional requirements for a newly created lot are only allowed by right in the URC District or by special permit from the Planning Board in the URB and Neighborhood Business Districts.
- Three-family homes are allowed by-right in the URC, URB and NB Districts. ? Peg
- Multi-family dwellings not exceeding three (3) stories are allowed under Site Plan approval from the Planning Board in the URC and NB Districts.
- Multi-family properties exceeding three (3) stories and townhouses must obtain a special permit from the Planning Board in the URC and NB Districts.
- Lodging and halfway houses are allowed by special permit from the Planning Board in the URB and URC as well as the NB Zoning Districts.
- Mixed residential and work space which conforms to all Building and Life Safety Codes and located above the first floor is allowed by-right in the Central Business, General Business and Neighborhood Business Districts and by special permit in the URC and Highway Business Districts.
- Mixed residential and commercial/retail or service uses are allowed by-right in all business districts, except the PV District, and by special permit in the URC District. (spell out PV and PUD)?
- Residential development, PUDs and cluster developing using a Transfer of Development Rights (TDR), obtained by a special permit from the Farms, Forest and Rivers District, are only allowed in the Planned Village District, but are permitted on an as-of-right basis.
- Where the principal use is serviced by on-site water and sanitary sewage disposal, there is a requirement of at least 80,000 square feet per lot.

In addition to minimum lot sizes that can often constrain affordable unit development, frontage requirements present challenges to development as well. Many lots meet the minimum area requirements but do not have sufficient frontage.

Parking requirements also play a significant role in unit production. The reuse of existing buildings in the General Business and Central Business districts can be done without requiring new parking spaces while other districts require a permit from the Planning Board to reduce total required parking if it is deemed to be unnecessary.

Nevertheless, in an effort to direct higher density development to appropriate locations, the Zoning Ordinance includes the following lot size and frontage requirements for various types of dwelling units:

Table 4-1
Minimum Required Lot Sizes (In Square Feet)/Frontage Requirements (Linear Feet)

Unit Type	RR District	SR District	URA District	URB District	URC District
Single-family homes	40,000/175	30,000/125	12,000/75	8,000/75	6,000/75
Zero lot line single-family	Not allowed	Not allowed	Not allowed	8,000/65	6,000/65
Two-family homes	Not allowed	Not allowed	Not allowed	12,000/80	12,000/75
Townhouses	Not allowed	Not allowed	Not allowed	7,000 per unit/120	6,000 per unit/100
Townhouses in cluster development	Allowed	Allowed	Allowed	Allowed by Special permit	Allowed by Site Plan review
Multi-family structures and mixed-use with 4+ stories	Not allowed	Not allowed	Not allowed	Not allowed	10,000 + 2,500 per bedroom/200
Any Other Multi-family	Not allowed	Not allowed	Not allowed	7,000 per unit/120	6,000 per unit/100

Source: Northampton Zoning Ordinance, Attachment 2.1.

Townhouse development³⁴ is also allowed in the Neighborhood Business Zoning District with a minimum required lot size of 20,000 square feet plus 4,500 square feet per unit and frontage of at least 100 feet. Moreover, mixed residential and retail/commercial and service development is also allowed in this district, requiring 10,000 square feet plus 1,000 per unit and frontage of 80 feet. There are no minimum lot requirements in the Central Business and General Business Zoning Districts and a 20,000 square foot minimum and 120 frontage requirement for all uses in the Highway Business District when parking is located in the rear or the side. All residential uses in the Business Park Zoning District must have a minimum of 10,000 square feet and an additional 1,000 square feet for each unit unless 33% of the units are affordable in which case the requirements drop to 7,500 square feet and 750 per unit (frontage requirements of 75 feet). *Importantly, townhouse development is also allowed as part of a cluster in all residential districts and by Special Permit in the URB districts and by Site Plan review in the URC districts.*

The Zoning Ordinance also includes numerous specific provisions to promote smart growth development and affordable housing, directing future development to appropriate locations, particularly denser development, and offering incentives for the inclusion of affordable housing. These provisions include:

- Residential Incentive Development Overlay District³⁵
This zoning district, north of Bridge Road, enables the Planning Board to issue a special permit that allows housing development at somewhat higher density if 33% of the total number of units are affordable and the development conforms to use regulations and dimensional/density regulations and, in all other

³⁴ By definition in the Zoning Ordinance, a townhouse is a side by side unit while multi-family involves one unit over another.

³⁵ Northampton Zoning Ordinance, Section 350-10.11.

respects, meets the requirements for an open space (cluster) residential development (Section 350-10.5) in URB districts (Urban Residence B). Two (2) projects have been permitted but neither was built.

Table 4-2
Minimum Required Lot Size/Frontage Requirements in Residential Incentive Overlay Development

Unit Type	RR District	SR District	URA District	URB District	URC District
Single-family homes	5,000/70	5,000//70	NA	NA	NA
Two-family homes	7,500/75	7,500//75	NA	NA	NA
Three-family homes/ townhouses	4,000 per unit/75 +5 per unit	4,000 per unit/75 +5 per unit	NA	NA	NA

Source: Northampton Zoning Ordinance, Attachment 2.1. NA = Not applicable

- Sustainable Growth Overlay District³⁶
In order to facilitate smart growth development, the Sustainable Growth Overlay District (SG District) was created to “foster a range of housing opportunities along with a mixed-use development component, to be proposed in a distinctive and attractive site development program that promotes compact design, preservation of open space, and a variety of transportation options”. The overlay district, centered on the redevelopment of the former Northampton State Hospital, Village Hill, was established in accordance with Massachusetts General Laws, Chapter 40R (see Appendix 4 for details on 40R). The overlay district enables the City to receive zoning incentive payments and density bonus payments that help subsidize the development, provided at least 20% of the housing units are set aside as affordable. The District includes two (2) subareas, one for single-family development with permitted densities of up to eight (8) units per acre and the other for multi-family development of up to 21 units per acre.
- Planned Village District³⁷
The Planned Village (PV) District was established “to encourage economic diversity and vitality, to foster the creation of a village or campus center with coherent development patterns similar to traditional Northampton development, to provide for an environment conducive to a high quality of life, to avoid unnecessary public expense for the extension of services, and to meet other community goals.” The ordinance promotes a pedestrian-scale, mixed-use village design to create a compatible and attractive village area. The Planning Board is the permit granting authority. The PV District was also conceived as a “receiving” location for the Transfer of Development Rights (TDR) ordinance (see below). Minimum lot requirements are 4,000 square feet per unit when using a TDR, 15 acres for a development as a whole, with no minimum lot requirement for individual lots.

³⁶ Northampton Zoning Ordinance, Section 350-20.

³⁷ Northampton Zoning Ordinance, Section 350-10.14.

- Transfer of Development Rights³⁸
TDR involves the conveyance of development rights by deed, easement or other legal instrument from one parcel of land to another as a means of encouraging development in certain areas while preserving open space in others. The Northampton ordinance allows the Planning Board to grant a property owner in the Farms, Forests and Rivers (FFR) District a special permit to transfer the development rights of a “sending” parcel to “receiving” parcels in the Planned Village (PV) District where higher density is more appropriate. Development rights cannot be transferred from a property, which may not otherwise be developed, and development rights may be transferred and put on hold pending assignment to a receiving parcel.
- Accessory Apartments³⁹
The Zoning Ordinance recognizes that accessory apartments⁴⁰ provide a number of important benefits including the following:
 1. Provide older homeowners with a means of obtaining rental income, companionship, security and services, and thus enabling them to stay more comfortably in homes and neighborhoods they might otherwise be forced to leave;
 2. Add moderately-priced rental units to the housing stock to meet the needs of smaller households and make housing units available to moderate-income households that might otherwise have difficulty finding housing;
 3. Develop housing units in single-family neighborhoods that are appropriate for households at a variety of stages in their life cycle;
 4. Protect stability, property values, and the single-family residential character of a neighborhood by ensuring that accessory apartments are installed only in owner-occupied houses; and
 5. Provide housing units for persons with disabilities.

The ordinance allows the Building Commissioner to issue a zoning permit for an accessory apartment in an owner-occupied, single-family house and provides for accessory apartments in a detached structure by a special permit from the Zoning Board of Appeals (ZBA) based on a number of conditions including requiring separate kitchen and bath facilities, an entrance at the side or rear of the house or house lot, be no larger than 900 square feet and not enlarged beyond 900 square feet at some point in the future, be occupied by no more than three (3) people, have three (3) off-street parking spaces, etc.

- Zero Lot Line (ZLL) Developments⁴¹
Zero lot line (ZLL) developments allow house lots that have a minimum side yard setback of zero feet on one side based on a number of provisions such as the

³⁸ Northampton Zoning Ordinance, Section 350-17.3.

³⁹ Northampton Zoning Ordinance, Section 350-10.10.

⁴⁰ The Zoning Ordinance defines an accessory apartment, or in-law apartment, as a self-contained unit incorporated within a single-family dwelling that is a subordinate part of the dwelling and complies with a number of criteria.

⁴¹ Northampton Zoning Ordinance, Section 350-10.14.

side yard of the nonzero lot line must be twice the usual setback, the zero lot line side of the house must abut permanently protected open space or the lot line of another ZLL lot under the control of the same developer, etc. Such developments allow for efficient use of existing lots and are allowed in the Urban Residence B and C Districts. The greatest benefit to ZLL developments is the by-right reduction in frontage from 75 to 65 feet in the URB and URC districts. Check on diagram?

- Planned Unit Development (PUD)⁴²

Planned Unit Developments (PUDs) involve mixed uses with extensive open space, approved through a special permit of the Planning Board in accordance with the requirements of the Open Space Residential Development ordinance (see below) and site plan review. The development parcel must be in common ownership and have at least 30 contiguous acres in the Rural Residence or Suburban Residence Districts or four (4) contiguous acres in all other residential and business zones except the Central Business District and Planned Village District where they are not permitted. All types of housing are allowed with the maximum density computed by multiplying the total area of the parcel, less proposed roadways and 80% of wetlands and floodplains, by a prescribed density multiplier by zoning district, from 1.1 (unless in the Water Supply Protection District where it is 0.54), to 7.0 in the Highway Business District. For residential districts, each thousand square feet of nonresidential gross floor area counts as one unit for the purpose of calculating the maximum number of units.
- Open Space Residential Development (OSRD)⁴³

This ordinance promotes flexible development where residential units are clustered on a portion of the site, leaving at least 50% of the parcel undeveloped as open space that is meant to “a) preserve the rural character of the community by maximizing and preserving expanses of open space in their natural state; b) provide a buffer between developments; and c) serve a functional relationship to each of the lots in the development in those districts for which such an option is allowed.” Site plan approval is required and subdivision approval as well where the parcel is being subdivided. The parcel must have at least four (4) acres of contiguous land area and be in single ownership at the time of application for SR, RR and URA districts, at least three (3) acres for URB and URC districts. The maximum number of units allowed is calculated by multiplying the total tract area, less proposed roadways and 90% of wetlands and floodplains, by particular multipliers according to zoning district, from 0.54 in the Water Supply Protection District, to 1.1 in the Rural Residence District, 1.5 in the Suburban Residence District, 2.2 in the Urban Residence A District, and 4.4 in both the Urban Residence B and C Districts. These densities can be increased by up to 15% if the percent of density bonus is no greater than the percent of dwelling units in the cluster that are affordable. Zero lot line developments are also permitted.

⁴² Northampton Zoning Ordinance, Section 350-10.6.

⁴³ Northampton Zoning Ordinance, Section 350-10.5.

Table 4-3
Minimum Required Lot Size/Frontage/Minimum Open Space in OSRD or PUD

Unit Type	RR District	SR District	URA District	URB District	URC District
Single-family homes	10,000/85/75%	10,000/80/75%	7,500/75/70%	5,000/70/65%	5,000/70/65%
Zero lot line single-family	9,000/75/70%	9,000/75/70%	6,000/65/65%	4,500/60/60%	4,000/55/55%
Two-family homes	15,000/95/75%	15,000.90/75%	10,000/80/70%	7,500/75/65%	7,500/75/65%
Three-family homes	20,000/105/75%	20,000/100/75%	12,500/85/70%	10,000/80/65%	10,000/80/65%
Townhouse	7,500 per unit/100 + 10 per unit/75%	7,500 per unit/100 + 10 per unit/70%	5,000 per unit/85 + 10 per unit/70%	5,000 per unit/75 + 5 per unit/65%	4,500 per unit/75 + 5 per unit/65%
Multi-family	Not allowed	Not allowed	5,000 per unit/85 + 10 per unit/70%	5,000 per unit/75 + 5 per unit/65%	4,500 per unit/75 + 5 per unit/65%

Source: Northampton Zoning Ordinance, Attachment 2.1.

It is important to note that minimum open space requirements create challenges to affordable housing development. In addition to having 50% of the initial parcel protected as open space, individual unit lots require 65 to 75% of open space that limits the number of units that can be produced. This is more open space than is required under standard frontage lot development without a cluster OSRD. This amount of open space also reduces the economies of scale that are frequently necessary for affordable housing to be feasible.

- Single-lot Exemption for Single and Two-family Use⁴⁴
This ordinance, based on a state statute exemption, allows for the development of a single-family or two-family house on a nonconforming lot, stating that an increase in dimensional requirements will not apply to a vacant lot for single or two-family use that has at least 5,000 square feet, 50 feet of frontage, is located in an area zoned for such use (two-family use may require a special permit), conformed to existing zoning when the lot was legally created, and was in separate ownership prior to the City Council vote that made the lot nonconforming and has maintained a separate identity.

- *Funding Availability*

While the City has more resources than it has had in the past to promote affordable housing including Community Preservation funding through the passage of CPA in 2005, as well as Smith College's Affordable Housing Fund: subsidy funds still remain in short supply and are highly competitive. Northampton receives an allocation of about \$750,000 in CDBG funding annually. Funding that was once available for affordable housing is being used to pay down the Senior Center debt for the next few years. Unlike most cities, Northampton does not receive an annual allocation of federal HOME Program funding that has provided substantial housing support for a wide range of

⁴⁴ Northampton Zoning Ordinance, Section 350-9.4.

housing activities in other cities. McKinney funding for the region has been an important source of subsidy for housing development. McKinney projects that have been created in Northampton include Paradise Pond Apts. Go West SRO, The Maples SRO and Soldier On Programs. Local residents also benefit from regional programming. In FY10, the region received about \$1.3 million and has each year since 1997.

In regard to state funds, the Valley CDC, HAPHousing, and TCB have applied for and obtained important state financing from a number of programs for new affordable housing development. These awards have been essential to insuring the financial feasibility of the new units, but these funds are extremely competitive. Moreover, while in short supply, rental subsidies, including project-based, are critical to the ability of local development projects to serve extremely low-income households. While it is unlikely that local, state and federal subsidy funds will increase substantially or even at all in the near future, the limitations related to available funding do restrict new unit production and housing-related programs and services.

As mentioned earlier, those who have been awarded rental subsidies to help pay their rent in privately-owned housing based on a reasonable percentage of their income, have experienced difficulties in leasing units based on Northampton's high rents, which are over and above program limits.

5. HOUSING STRATEGIES

As mentioned earlier, the City of Northampton has embarked on a series of planning efforts over the past several years including the Sustainable Northampton Comprehensive Plan, completed in January of 2008; the HUD Consolidated Plan, which is in the process of being updated; Grow Smart Northampton, All Roads Lead Home – The Pioneer Valley Plan to End Homelessness, the Community Preservation Plan, Northampton Vision 2020, and the Northampton Community Indicator Report. This Strategic Housing Plan represents an updated and comprehensive compilation of the housing components of these various planning documents, focusing solely on the promotion of affordable or mixed-income housing.

The strategies outlined below are derived not only from these plans but also from the Housing Needs Assessment, community input throughout the preparation of this Plan, and the experience of other comparable localities in the area and throughout the Commonwealth. The strategies also address and are categorized under three (3) major housing goals in the Sustainable Northampton Comprehensive Plan (SNCP) including:

1. Create new housing along a range of income levels – ownership and rentals
2. Preserve and sustain existing affordable housing
3. Work to end homelessness

Additionally, the strategies are categorized according to anticipated implementation. Those highest priority actions, to be implemented within Years 1 and 2, will involve some immediate attention, while those within Years 3 to 5 may require some early exploration but actual execution after 2011. This Plan also suggests several other longer-term strategies reaching past Year 6. A summary of these actions by goal and priority is included in Appendix 6.

It should be noted that the intent of this Plan is not only to continue to surpass the state's 10% goal under Chapter 40B, but more importantly to serve the range of local needs as articulated in the three (3) housing goals above and the priority housing needs described in Section 3.3. Consequently, there are instances where housing initiatives might be promoted to meet these needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory (examples potentially include the promotion of accessory apartments or mixed-income housing that includes "community housing" or "workforce housing" units)⁴⁵. More commonly, housing affordability is being referred to as either little "a" affordability, meaning that the units do not meet all state requirements for inclusion in the Subsidized Housing Inventory (SHI) but still meet local housing needs, versus big "A" affordability for those units that can be counted as part of the SHI.

This Plan also provides important guidance on opportunities for strategically investing available local funding for housing to best serve the range of local needs and leverage other public and private financing.

Within the context of other planning documents, priority needs and goals, existing resources, and affordability requirements, the following housing strategies are proposed. *It is important to note that*

⁴⁵ Community housing generally refers to units directed to those earning between 80% and 100% AMI, whereas workforce housing refers to units directed to those earning between 80% and 120% AMI, but still priced out of the private housing market.

these strategies are presented as a package for the City to consider, prioritize, and process, each through the appropriate regulatory channels.

HOUSING GOAL #1: Create new housing along range of income levels – ownership and rentals

5.1 Organizational Strategies

As summarized in Appendix 2 (Local and Regional Organizations and Resources), Northampton is fortunate to have a number of capable housing agencies and organizations that have made substantial contributions to the promotion of affordable housing in the community, including City government, local non-profit organizations and regional entities. This Housing Plan, by drawing upon the participation of these effective organizations, describes the necessary framework for implementing affordable housing initiatives, and each strategy references those entities that are most directly accountable for implementation.

The following strategies suggest ways the City plans to bolster community understanding and support for new initiatives, to increase available funding, and better coordinate the implementation of this Housing Plan.

5.1.1 Conduct Ongoing Community Education

Timeframe: Years 1-2

Responsible Parties: Northampton Housing Partnership and other sponsors of affordable housing-related initiatives

Current Status: Because most of the housing strategies in this Housing Plan rely on local approvals, including those of City Council, community support for new initiatives has and will continue to be essential. Strategic efforts to better inform residents and local leaders on the issue of affordable housing and specific new initiatives can build local support by generating a greater understanding of the benefits of affordable housing, reducing misinformation and dispelling negative stereotypes. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on local concerns and suggestions. While such activities do not directly produce affordable units, they help build important local support for new affordable housing initiatives. The City of Northampton has sponsored opportunities for such input in the past, but should consider boosting community education efforts.

Next Steps: To further build local capacity to meet local housing needs and production goals, the City should increase its focus on a range of activities that are meant to better engage local residents on affordable housing issues and initiatives. The presentation of this Housing Plan offers opportunities to bring attention to the issue of affordable housing, providing information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. Other education opportunities to be pursued include:

- *Forums on specific new initiatives*
As the City develops new housing initiatives, the sponsoring entity should hold community meetings to insure a broad and transparent presentation of these efforts to other local leaders

and residents, providing important information on what is being proposed and opportunities for feedback before local approvals are requested.

- *Annual housing summits*
Most communities lack an effective mechanism for promoting regular communication among relevant City boards and committees on issues related to affordable housing. Having a forum to share information on current housing issues would help foster greater communication and coordination among these entities. Additionally, inviting residents can help build community interest, improve communication and garner support. Many communities are sponsoring such events, at least on an annual basis. For example, Truro organized a panel discussion on housing issues, inviting representatives of other communities on the Cape and organizations involved in affordable housing. Yarmouth held a spaghetti dinner and offered an update on their affordable housing initiatives with opportunities for feedback from local leaders and the public.
- *Public information on existing programs and services*
Despite a sluggish housing market, high housing costs are still creating problems for lower income residents. For example, renters continue to confront difficulties finding safe and decent rental units. Owners, including seniors living on fixed incomes, are finding it increasingly difficult to afford the costs associated with rising taxes, energy costs, insurance and home improvements, and increasingly some may be faced with foreclosure. Additionally, some seniors and those with special needs require handicapped adaptations and repairs to help them remain in their homes. Northampton residents in some areas of the city might also benefit from technical and financial support in the case of septic failures and Title V compliance issues.

The City should get the word out about existing programs and services that support homeownership, property improvements or help reduce the risk of foreclosure including first-time homebuyer and foreclosure prevention counseling from the Valley CDC. Additional housing rehab and counseling programs that are available to qualifying local residents are summarized in Appendix 4. Continued information and referral efforts on the part of service providers, the Council on Aging, Northampton Housing Authority, etc. are essential, but there are other outreach approaches that might also be helpful. For example, the enhanced website and cable programs described below may be excellent vehicles for disseminating information on helpful programs and services.

- *Educational opportunities for board and committee members*
Local boards such as the City Council, Community Preservation Committee, Housing Partnership, Affordable Housing Trust, Zoning Board of Appeals, Planning Board, Council on Aging, Housing Authority, Economic Development, Housing and Land Use Committee, and other interested local leaders should be able to receive ongoing training on affordable housing issues. Well advised and prepared board and committee members are likely to conduct City business in a more effective and efficient manner. New members without significant housing experience would benefit substantially from some training and orientation. Moreover, requirements keep changing and local leaders must keep up-to-date. Funding for the professional development of staff, including those of the Office of Planning and Development and Community and Economic Development Office, would also help keep key professionals informed of important new developments, best practices and regulations.

The University of Massachusetts Extension's Citizen Planner Training Collaborative (CPTC) offers classes periodically throughout the year and will even provide customized training sessions to individual communities. The Massachusetts Housing Partnership conducts its Massachusetts Housing Institute at least annually, which is "an educational program to support municipalities and local participants to better understand the affordable housing development process and have an effective role in initiating and implementing local solutions to increasing housing choices". Other organizations and agencies, such as DHCD, MHP, CHAPA, and the Community Preservation Coalition, also provide conferences and training sessions on a wide variety of housing issues that would be useful for local officials and staff persons to attend. In addition, there are numerous written resources for localities. For example, DHCD has prepared a procedural "how to" booklet for local communities on the development process, MHP has many technical guides for localities, and CHAPA has a wide variety of reports on many issues related to affordable housing as well.

- *Cable Programming*
The City of Northampton has local cable access through NCTV Channels 12 and 15. The City contracts with Northampton Community Television, Inc. (NCTI) for this service, which is an independent non-profit membership organization organized exclusively for educational, scientific and charitable purposes. Membership is open to all Northampton residents. The Northampton Housing Partnership should consider sponsoring regular programming to showcase the issue of affordable housing, highlighting new initiatives as well as ongoing programs and services.
- *An Enhanced City Website*
The City of Northampton has an excellent website. The website offers an excellent opportunity to provide additional information and links on affordable housing issues, programs and services.
- *Outreach on State Affordability Requirements*
Insure that developers of affordable housing fully understand all necessary local and state affordability requirements, and where appropriate, advocate for changes in requirements to allow for greater flexibility in local affordable housing initiatives.
- *Continue Valley CDC counseling programs*
The City provides funding to the Valley CDC in support of their educational programs and counseling services in the areas of obtaining first-time homeownership and preventing foreclosure that should be continued.

Resources Required: Staff time from the Housing and Community Development Planner and donated time from members of the Housing Partnership to help organize the necessary forums, track training opportunities and inform appropriate local leaders as well as coordinate the cable station programming. The support of an IT professional within City government would also be required. The Housing Partnership would coordinate public meetings on zoning-related efforts involving affordable housing with the Planning Board with assistance from the Office of Planning and Development.

5.1.2 Capitalize the Northampton Affordable Housing Trust (NAHT)

Timeframe: Years 1-2

Responsible Parties: Mayor and City Council with support from the Housing Partnership, Community Preservation Committee, and Affordable Housing Trust

Current Status: The Northampton Affordable Housing Trust was created in 1998 by local ordinance in connection with the expiring use at Hampton Gardens (now Hathaway Farms) to oversee public and private funds used to subsidize low- and moderate-income housing units as they gradually transitioned to market rate. The Trust was created for the following purposes:

1. For the acquisition, renovation, construction, financing or refinancing of real property in Northampton for low- and moderate-income residents.
2. For rental subsidies and loans and/or guarantees to make housing more affordable (first and/or last month's rent, security deposits, mortgage payments, utility or other expenses that threaten a household's ability to remain in its unit).
3. For temporary consulting services that allow the City to provide or preserve affordable housing.

Despite the exhaustion of funds, the Affordable Housing Trust continues to exist with appointed trustees in place. Due to the generic nature of its statutory design, if new resources are found, the Fund can continue to operate and assist new projects and efforts.

Next Steps: It will be important to explore a wide range of possible fundraising options to capitalize the Housing Trust. It should be noted that some communities have decided to commit CPA funding to Housing Trust Funds without targeting the funding to any one specific initiative. For example, the towns of Grafton, Leverett and Sudbury have been directing 10% of their annual CPA allocation to their Trust Funds. The Trusts are encouraged to apply for additional CPA funds for specific projects. Scituate's Town Meeting funded its Housing Trust with \$700,000 of Community Preservation funding from its community housing reserves. The Northampton Affordable Housing Trust should discuss such funding opportunities with the Community Preservation Committee.

In addition to CPA funding, payments offered in lieu of actual units as part of a potential inclusionary zoning ordinance (see strategy 5.2.1) as well as other funds that might be tapped from developers would appropriately be deposited in the Housing Trust Fund. For example, developers make additional contributions to these funds if the purchase prices for the market units are higher than the prices that were projected in their comprehensive permit applications and profits are more than the 20% allowed under Chapter 40B.

The City should also consider private sector donations. This process of securing private support not only provides financial benefits to support local housing efforts, but it is also a vehicle for raising awareness of affordable housing and generating interest and political support for new housing initiatives. Other communities, such as Chatham and Orleans for example, have separate local organizations that have effectively raised private funds for affordable housing (Friends of Chatham Affordable Homes and Friends of Orleans Affordable Homes), and the Housing Trust might approach them to learn more about their efforts to date.

Many communities are reaching out to residents for private donations of land to promote housing affordability. Such contributions and the “bargain sale” of real estate could become a part of the Northampton land ethic, but donations need to be promoted, nurtured, and facilitated. Habitat for Humanity has relied on private donations – property, funds, goods and services – to support their developments. Faith-based affordable housing initiatives are also widely viewed as effective, as reported by the organization World Vision.⁴⁶ The Housing Trust might work with local religious institutions on some additional activities that focus on affordable housing, including, for example, donations to the Housing Trust Fund, perhaps during Fair Housing month.

Resources Required: CPA funding in support of affordable housing initiatives. Other resources include the donated time of volunteers to coordinate fundraising activities with some staff support.

5.1.3 Monitor and Report on Implementation of this Housing Plan

Timeframe: Years 1-2

Responsible Party: Housing Partnership

Current Status: The Northampton Housing Partnership is preparing this Housing Plan as a means of defining and driving the City’s housing agenda. It is the intent of the Housing Partnership that there be substantial good faith efforts made to implement the Plan. It is also the objective of the Housing Partnership to monitor implementation efforts and to report on any progress made on at least an annual basis through a report to the Mayor and City Council.

The Housing Partnership also believes that it will continue to be important to monitor new unit production to insure that affordable units produced through this Plan be eligible for inclusion in the Subsidized Housing Inventory (SHI), to the greatest extent possible, applied through the Local Initiative Program (LIP) administered by the state’s Department of Housing and Community Development (DHCD) if another state or federal housing subsidy is not used (i.e., Low Income Housing Tax Credits, Housing Stabilization Fund, etc.). In addition to being used for “friendly” 40B projects, LIP can be used for counting those affordable units as part of a City’s Subsidized Housing Inventory that are being developed through some local action including:

- Zoning-based approval, particularly inclusionary zoning provisions and special permits for affordable housing;
- Substantial financial assistance from funds raised, appropriated or administered by the City; and/or
- Provision of land or buildings that are owned or acquired by the City and conveyed at a substantial discount from their fair market value.

In order to be counted as part of the Subsidized Housing Inventory the units must meet the following criteria:

- Be a result of municipal action or approval;

⁴⁶ Shabecoff, Alice. Rebuilding Our Communities: How Churches Can Provide, Support, and Finance Quality Housing for Low-Income Families, World Vision: Monrovia, California.

- Sold or rented based on procedures articulated in an affirmative fair marketing and lottery plan approved by DHCD;
- Sales prices and rents must be affordable to households earning at or below 80% of area median income; and
- Long-term affordability is enforced through affordability restrictions, approved by DHCD.

Next Steps: The Community and Economic Development Office's Housing and Community Development Planner will provide staff support to the Housing Partnership to coordinate implementation efforts, produce an annual report, monitor eligibility of new affordable units for inclusion in the SHI, and submit required documentation to DHCD. The annual housing summit mentioned in strategy 5.1.1 would also be an appropriate forum to report on progress made during the last year. These activities should be systematized and formally inserted into the Housing Partnership's calendar.

Some of the important tasks for insuring that the affordable units, referred to as Local Action Units (LAU's), meet the requirements of Chapter 40B/LIP include:

- Meet with the developer to discuss requirements for insuring that the unit(s) meets the requirements for inclusion in the Subsidized Housing Inventory through the state's Local Initiatives Program (LIP).
- Contact DHCD to discuss the project and determine the purchase price based on LIP Guidelines.
- Prepare a LIP Local Action Units application submitted by the Mayor, working with the developer, including an Affirmative Fair Housing Marketing Plan.
- Execute a regulatory agreement to further insure long-term affordability between the developer, municipality and DHCD.
- Insure that the Marketing Plan is implemented.
- Submit necessary documentation to DHCD to have the unit counted as part of the Subsidized Housing Inventory.
- Insure that project sponsors annually recertify the continued eligibility of affordable units.

Resources Required: Donated time from the Housing Partnership and staff time from the Housing and Community Development Planner.

5.1.4 Formalize the Affordable Housing Review Process

Timeframe: Years 1-2

Responsible Parties: Mayors Office and Housing Partnership

Current Status: The Northampton Housing Partnership, in its mission to identify the range of local housing needs and find solutions to address them, has been the first stop for many affordable housing developers interested in pursuing new development and seeking local funding, particularly CPA funds. As such, the Housing Partnership has been an effective review agent and advocate for affordable housing developments.

Because the Housing Partnership is the sponsor of this Housing Plan and responsible for overseeing its implementation, it naturally follows that the Partnership should be the first "go to" City entity to review any new affordable housing initiatives, even in their conceptual stages, to provide early input into project planning in order to be able to fully advocate for approval

throughout the regulatory and funding approval processes. Also, the Housing Partnership is comprised of members with considerable experience and expertise in the field of affordable housing including attorneys, lenders, small property owners, academicians, managers of firms involved in real estate design and development, etc. Many of these members also serve on other related boards, committees, and organizations.

Next Steps: The City, through the Mayor's Office, should formalize the role of the Housing Partnership as the first step in the local project review process for any development that involves affordable housing. In those projects that require Planning Board approval, the Housing Partnership will work closely with the Director of Planning and Development in the early stages of review and provide feedback on the project to the Planning Board and/or other appropriate regulatory entity.

Resources Required: The donated time of Housing Partnership members and staff time from the Housing and Community Development Planner as well as the Director of the Office of Planning and Development from time to time.

5.1.5 Affirmatively Promote Fair Housing

Timeframe: Years 1-2

Responsible Parties: Housing Partnership

Current Status: As a requirement of receiving Federal funds, the City of Northampton must create and annually update an Analysis of Impediments to Fair Housing. The 5 year Consolidated Plan and Annual Action plans required by the U.S. Department of Housing and Urban Development must include an annual assessment of the status of fair housing in the community. The analysis must delineate barriers to fair housing, identify action steps to eliminate those barriers and document progress towards achieving fair housing goals.

Next Steps: It is recommended that the Northampton Housing Partnership work closely with the Massachusetts Fair Housing Center (MFHC) based in Holyoke, and/or other organizations that work on fair housing issues, through annual CDBG contracts whenever funding allows. The MFHC can investigate housing discrimination complaints, forward them to the Massachusetts Commission Against Discrimination when merited and keep the City apprised of the nature of complaints. MFHC can conduct community education workshops for renters, first time homebuyers and public and private property owners to insure that those in search of housing in Northampton have fair and accessible housing options.

Actions identified in prior Impediments Analyses included:

- Support systemic testing for illegal discriminatory practices in housing.
- Maintain a balance in the housing supply to accommodate the specific needs of all groups in the community.
- Monitor unit vacancy rates as low rates tend to elevate unit costs and limit supply.
- Support education and outreach to assure fair housing rights for members of protected categories such as recipients of housing subsidies and reduce discrimination in a market where higher income applicants present strong competition for units.

- Compare lending patterns in the community relative to ethnic/racial and socioeconomic characteristics to assess minority concentrations, income levels and mortgage denial rates.
- Provide access to lead paint abatement resources, due to high percentage of housing stock built prior to 1940. This will prevent landlords from discriminating against families with children in order to avoid deleading costs.
- Provide outreach and resources for reasonable housing accommodation for the disabled (MFHC reported 90% of complaints are related to disability issues, and 26.7% of Northampton's population claimed a disability as reported in the 2000 Census).
- Identify initiatives to address the obstacles and assess their effectiveness.

The Northampton Housing Partnership should work closely with the City's Human Rights Commission to develop and monitor annual plans to affirmatively further fair housing opportunities for the City's residents.

Resources Required: The donated time of Housing Partnership and Human Rights Commission members and staff time from the Housing and Community Development Planner.

5.2 Regulatory Strategies

Housing production is contingent not only on actual development projects but on the planning and regulatory tools that enable localities to make well informed decisions to strategically invest limited public and private resources on housing creation. To most effectively and efficiently execute the strategies included in this Plan and meet production goals, greater clarity and flexibility will be needed in the City's Zoning Ordinance, and new tools will be required to capture more affordable units and better guide new development to specific "smarter" locations.

Northampton's Ordinance already represents a progressive orientation towards promoting smart growth principles, guiding development towards areas that are more appropriate for higher density and more compact development. However, the Zoning Ordinance, in its current form, is unwieldy, confusing and limiting. Moreover, some of the most prized areas of the community, where residential and commercial values are the highest, were built years before current zoning was put in place and would not be allowed under the existing code.

Northampton's Planning Board has appointed a Zoning Revisions Committee (ZRC), which is a temporary, volunteer-based committee of officials and community representatives, charged with recommending changes to the Zoning Ordinance so that it is consistent with the land use and development components of the Sustainable Northampton Comprehensive Plan (SNCP). The ZRC mission includes the following major tasks:

- Review current zoning and recommend revisions;
- Serve as a technical resource for the Planning Board; and
- Provide a wide range of opportunities for public input to the zoning revision process.

The ZRC has been reconciling the SNCP's Future Land Use Map with 45 pages of goals, objectives and strategies into a short set of summary sustainability goals that are relevant to zoning including the following:

- Concentrate development and allow for a wide range of housing types and work spaces in walkable, mixed-use neighborhood, village and commercial centers;
- Minimize development in areas that lack infrastructure or have significant environmental, open space or agricultural uses;
- Promote environmental performance, including energy and resource efficiency;
- Make the zoning code more user-friendly and processes more transparent;
- Promote design that fits into neighborhoods so that new development makes the city a better place.

The ZRC and Office of Planning and Development have been working closely with the Northampton Housing Partnership on this Housing Plan, to coordinate efforts and arrive at zoning recommendations that will meet the sustainability goals listed above, and better promote affordable housing as well. The ZRC held its first public forum in March 2010, and expects to make its recommendations in 2011. The ZRC will continue to work with the Housing Partnership, the Planning Board and community at-large in amending the Zoning Ordinance to correct these limitations with substantial technical support from the Office of Planning and Development as well as input from the Community and Economic Development Office.

The City of Northampton should consider the following regulatory strategies to promote the creation of additional affordable units and to better direct new development. These actions can be considered as tools that the City will have available to promote new housing opportunities, each applied to particular circumstances. (Units created through the use of these bylaws are counted as part of housing production strategies included in Section 5.3.)

5.2.1 Adopt Inclusionary Zoning

Timeframe: Years 3-5

Responsible Parties: Planning Board with support from the Housing Partnership

Current Status: Northampton's Zoning Ordinance does not currently include city-wide inclusionary zoning provisions. This mechanism has been adopted by more than one-third of the communities in the state to insure that any new development project over a certain size includes a set-aside in numbers of affordable units or funding from the developer to support the creation of affordable housing. Most of the bylaws include mandated percentages of units that must be affordable, typically 10% to 20% and density bonuses⁴⁷. Many also allow development of affordable units off-site and/or cash in lieu of actual units.

The Office of Planning and Development has conducted some exploratory work on inclusionary zoning. It hired a land use attorney to review some existing language of a draft ordinance, and then contracted with the Pioneer Valley Planning Commission (PVPC) to collect models of existing inclusionary zoning provision that have been effective elsewhere.

Next Steps: After receiving input from PVPC's research, the Planning Board should prepare a zoning amendment that is best suited to support affordable housing in Northampton. The Office of Planning and Development might also consider reviewing other model zoning codes and related literature as it

⁴⁷ Density bonuses allow increased densities beyond what is allowed under the subdivision requirements in the Zoning Bylaw.

drafts the zoning ordinance. The Executive Office of Environment and Energy's Smart Growth Toolkit includes a model inclusionary zoning bylaw that highlights key local decisions and makes some commentary for consideration throughout (www.mass.gov/envir/smart_growth_toolkit/pages/SG-bylaws.html). The Citizen Planner Training Collaborative's website also has a model bylaw with commentary and some policies as well (www.umass.edu/masscptc/examplebylaws.html).

Resources Required: Donated time of members of the Planning Board and staff support from the Office of Planning and Development and input from the Community and Economic Development Office.

Projected Number of Affordable Units Produced: 14 units

5.2.2 Ease Restrictions on Development Near City and Village Centers

Timeframe: Years 3-5

Responsible Parties: Planning Board with support from the Zoning Revisions Committee and Housing Partnership

Current Status: Over the past decade, the City has significantly increased allowable density, significantly expanding the URC district, the City's densest zoning district, eliminating the minimum lot size in the CB district, and dramatically reducing minimum lot sizes in the URC, URB, and URA districts. While the City has made progress in increasing the number of dwelling units within walking distance of the downtown and village, there has simultaneously been a decrease in the number of people per dwelling unit through decreases in household size. Consequently, the numbers of residents in these areas has not increased. It will therefore be important to increase the number of allowable units so that the City can maintain or slightly increase its historic pattern of having a large majority on its residents living within walking distance to downtown or one of the village centers such as Village Hill, Baystate, Florence, and Leeds Center.

Current zoning still presents significant challenges to developing housing in existing neighborhoods on an infill basis that would enable the City to more fully revert to historic patterns of development for future sustainability.⁴⁸ The City's compact Victorian neighborhoods would look very different if existing zoning had been in place more than a century ago. The combination of anxiety regarding density, a growth mentality that focuses on new subdivision mentality and Not in My Backyard (NIMBY) attitudes has put strangle-holds on infill development.

Current zoning is out of character with the city's best neighborhoods. For example, a triple-decker in an Urban Resident C Zone would require a lot of 18,000 square feet based on the 6,000 per acre zoning requirement, while many lots in this zone are less than 5,000 square feet. A two-family house is not allowed in the Urban Residence A zone and requires at least a 12,000 square foot lot in the Urban Residence B district. The analysis by the Zoning Review Committee suggests that the combination of minimum lot sizes and other zoning requirements (minimum frontage, setbacks and open space requirements) would render most residential properties in the traditional neighborhoods of the city as nonconforming under existing zoning and 48% of the lots would not even be buildable.

⁴⁸ Infill development involves new construction or redevelopment that "fills in" empty lots or adds units or uses in areas that are already developed.

The ZRC has developed the “Three E’s” of infill that emphasizes the importance of pursuing some development:

Environment

- Reduces the need for new infrastructure
- Can be more energy efficient and lower carbon emissions
- Is less damaging to natural systems than “greenfield” development⁴⁹

Economy

- Can increase the number of shoppers walking to local businesses
- Can create more commercial real estate leading to more jobs
- Makes public transit more viable

Equity

- Can create more housing and work spaces where people want to live and work
- Can provide a wide range of housing types that meet peoples’ needs

Next Steps: The Housing Partnership and the Zoning Revisions Committee should recommend zoning changes to the Planning Board to more appropriately develop the downtown and village centers that will enable the City to do the following more effectively:

- Develop brown/grayfields⁵⁰
- Build taller by adding stories
- Add units through additions to existing buildings
- Add units within existing buildings
- Convert outbuildings to new units
- Fill gaps in existing streets including vacant side lots
- Build a larger number of small units on a lot that would currently only allow a single large structure (small cluster development)
- Allow multiple uses within single structures (multipurpose spaces, mixed-use development, live-work spaces)

While all of these infill approaches have some relevance to affordable housing, one of the most important involves the ability to add units within existing structures. These conversions help further diversify the housing stock providing additional income to the owner and small rental units or condos for the increasing number of small households in Northampton. Even if the units are not eligible for inclusion in the SHI, they are likely to be priced more affordably. The conversions also create new housing units within existing building envelopes without the need for new construction.

There are precedents for converting larger Victorian houses to multiple condos, but property owners who have wanted to add units to their single or two-family homes have been stymied by zoning. To make these changes, the City will need to make considerable changes in rewriting the zoning text and maps following a major effort to obtain input from local leaders and community residents. The Zoning Revisions Committee and Planning Board are committed to outreach efforts to better educate the public on zoning and its ramifications on the future growth of Northampton and to insure substantial community input. These changes will also have to be approved by City Council.

⁴⁹ Greenfield development involves building on unbuilt green or open spaces.

⁵⁰ Development on sites that have been developed in the past with some need to remediate environmental hazards.

The Office of Planning and Development has begun this work on infill zoning changes, which it plans to present to City Council in 2011, after it has presented recommendations to community residents through a series of neighborhood meetings.

Resources Required: Donated time of members of the Planning Board and Zoning Revisions Committee as well as staff time from the Office of Planning and Development, including input from the Community and Economic Development Office.

5.2.3 Promote Mixed-Use Development in More Locations

Timeframe: Years 3-5

Responsible Parties: Planning Board with support from the Zoning Revisions Committee and Housing Partnership

The Zoning Ordinance currently allows mixed-use development only in relatively small portions of the City, which undermines the goals of increased walkability and less reliance on the automobile. Under current zoning, mixed residential and commercial/retail or service uses are allowed by-right in all business districts, except the PV District, and by special permit in the URC District. Mixed-uses were also promoted for the Village Hill development that used a Sustainable Growth Overlay District, approved through the state's Chapter 40R program (see Appendix 4 for details on this program). The Sustainable Northampton Plan suggests that the Ordinance better encourage mixed-use development in both residential and commercial areas such as Florence Center, Village of Leeds, Bay State, Village Hill and satellite commercial areas.

Next Steps: The Housing Partnership and the Zoning Revisions Committee should recommend zoning changes to the Planning Board to allow mixed uses in more zones, rewriting the zoning text and tables to better facilitate development with a mix of uses. These changes will ultimately have to be approved by City Council.

Resources Required: Donated time of members of the Housing Partnership, ZRC and Planning Board with staff support from the Office of Planning and Development and Community and Economic Development Office.

5.2.4 Revise Cluster Zoning Provisions

Timeframe: Years 3-5

Responsible Parties: Planning Board with support from the Zoning Revisions Committee and Housing Partnership

Current Status: The more rural areas of Northampton are now zoned for low-density suburban sprawl. The Zoning Ordinance does include a number of provisions to encourage smarter, cluster development through the Open Space Residential Development (OSRD) and Planned Unit Development (PUD) ordinances, including some density bonuses for affordable housing in the OSRD. The requirements are complicated, based on what type of dwelling and in what district the development is proposed. Moreover, the minimum open space requirements create challenges to affordable housing development as they reduce the economies of scale that are typically necessary for financial feasibility. For example, in addition to having 50% of the initial parcel protected as open space, individual unit lots require 65 to 75% of open space that limits the number of units that can be produced. This is more open space than

is required under standard frontage lot development without a cluster OSD. Smaller cluster developments are also adaptable to infill parcels in existing neighborhoods but are not allowed under current zoning.

Next Steps: The Zoning Revisions Committee, in coordination with the Housing Partnership, should make recommendations on revising the cluster zoning regulations to make them more flexible, to better define the open space that should be protected, to reduce the density of outlying areas that lack infrastructure or have significant environmental or agricultural resources, and to advance smaller cluster projects in the urban residential districts. It will also be important to insure some inclusion of affordable units in new cluster developments. A proposed cluster ordinance was written as part of the Executive Order 418 community planning process a few years ago, and should be revisited and updated as appropriate.

Resources Required: Donated time of members of the Housing Partnership, ZRC and Planning Board with staff support from the Office of Planning and Development and Community and Economic Development Office.

Projected Number of Affordable Units Produced: 15 units

5.2.5 Modify Accessory Apartment Requirements

Timeframe: Years 3-5

Responsible Party: Planning Board in coordination with the Housing Partnership and with input from the Building Inspector

Current Status: Accessory apartments, which are defined by the Zoning Ordinance as a “self-contained housing unit incorporated within a single-family dwelling (not within accessory structures except with a special permit) that is a subordinate part of the single-family dwelling,”⁵¹ have a number of important benefits as summarized in Section 4 of this Housing Plan. Northampton’s Zoning Ordinance does allow the Building Commissioner to issue a permit for an accessory apartment in an owner-occupied, single-family house and provides for accessory apartments in detached structures by a special permit from the Zoning Board of Appeals (ZBA) based on a number of conditions. A total of 39 accessory units were approved from 2000 to 2009, including two (2) units that were created as part of the Village Hill’s Ice Pond development.

To have accessory units counted as part of the SHI, zoning would have to require that units meet state Local Initiative Program guidelines, which specify the use of deed restrictions. Moreover, tenants must now be chosen through a pre-approved list of qualifying renters, a “Ready Renters List”, and family members are not eligible based on recent changes in state requirements.

Next Steps: Because accessory apartments provide small rental units that diversify the housing stock within the confines of existing dwellings or lots and provides other benefits as well, the City might consider amending the Zoning Ordinance to better promote such units even if they are not eligible for inclusion in the Subsidized Housing Inventory. For example, the Planning Board might consider provisions for allowing existing accessory apartments that do not have the necessary permits, and are

⁵¹ Northampton Zoning Ordinance, Section 350-10.10.

thus illegal, to receive the necessary permits based on specific terms and conditions. The Planning Board might also amend the Zoning Ordinance to allow accessory apartments in commercial structures.

Moreover, the bylaw might promote housing affordability based on Wellfleet's Program that does not require deed restrictions, thus the units would still be affordable although ineligible for inclusion in the Subsidized Housing Inventory. Wellfleet has established the following process for approving Affordable Accessory Dwelling Units:

- Property owner applies for a special permit.
- Building Inspector and Board of Health visit and inspect the unit to determine if there are any health and safety violations that must be corrected prior to the owner obtaining the special permit. Those whose incomes are below 100% of area median are eligible for participation in Wellfleet's Affordable Accessory Dwelling Unit Loan Program that provides no interest loans to support necessary improvements.
- The ZBA reviews the application and the reports submitted by the Building Inspector and Board of Health, holds a public hearing, and grants the special permit.
- The Building Inspector issues a Certificate of Occupancy prior to the unit being occupied.
- Prospective tenants must submit income information to the Assistant Town Administrator that documents that they qualify for the units. Once qualified, property owners will be officially notified of the monthly rent they are permitted to charge based on HUD Fair Market Rents. A list of qualified tenants is available to property owners, or owners may be able to select their own.
- The Town Assessor issues a tax abatement to the property owner based on a specified formula, without the need for the owner to submit to a separate application process (this requires state legislative approval).
- The property owner annually submits forms that document the continued eligibility of the tenant and use of HUD Fair Market Rents.

If a property owner decides at some point to opt out of the special permit, s/he must inform the Building Inspector and remove the kitchen in the accessory unit. They are allowed to convert the space to other uses such as a "private guest house" or office.

Resources Required: The donated time of local officials including the Building Inspector with professional support from the Office of Planning and Development or other designated municipal employee. The Housing Partnership would be involved in working with the Planning Board to amend the Zoning Ordinance.

5.2.6 Rewrite Transfer of Development Rights (TDR) Ordinance

Timeframe: Years 3-5

Responsible Parties: Planning Board with support from the Housing Partnership

Current Status: TDR involves the conveyance of development rights by deed, easement or other legal instrument from one parcel of land to another as a means of encouraging development in certain areas while preserving open space in others. The major intent of TDR provisions is to minimize sprawl and attract more density in areas within walking distance of about one (1) mile of transportation and commercial areas. Such zoning is responsive to smart growth principles

but has been very difficult to implement in most communities. For example, if the City allows greater density or other regulatory credit by-right in its “walkable” neighborhoods in close proximity to the downtown and village centers as a trade for preserving outlying land, it may find that there is very little to offer. The challenge in implementing TDR zoning, is not in finding the “sending” areas or areas to be preserved as open space, but in locating sufficient development opportunities in “receiving” areas.

The Northampton ordinance allows the Planning Board to grant a property owner in the Farms, Forests and Rivers (FFR) District a special permit to transfer the development rights of a “sending” parcel to “receiving” parcels in the Planned Village (PV) District where higher density is more appropriate. Development rights cannot be transferred from a property, which may not otherwise be developed, and development rights may be transferred and put on hold pending assignment to a receiving parcel.

Next Steps: The Planning Board should prepare amendments to the TDR ordinance that will enhance existing provisions for reducing development in more rural areas and promote infill development in neighborhoods within walking distance to the downtown and village centers. The zoning amendment will require City Council approval following a series of presentations at neighborhood meetings.

Resources Required: Donated time of members of the Planning Board with staff support from the Office of Planning and Development.

5.2.7 Revise Parking Requirements

Timeframe: Years 3-5

Responsible Parties: Planning Board

Current Status: The Northampton Vision 2020 report, which was adopted by the Planning Board in 1999, is a compilation of public responses to how the City should look in the next 20 years. This report was meant to guide the development of the Sustainable Northampton Comprehensive Plan. The report suggested that there were discrepancies between the vision of maintaining vibrant urban and village commercial areas and current practices related to parking. Vision 2020 indicated that the combination of parking fee policy and relative lack of parking were the biggest disincentives for downtown development. The current parking fee is \$2,000 per space for any new development or redevelopment project.

If the City wants both to promote infill development and create more parking, eliminating the parking fee and/or other parking requirements might be in the public’s best interest. Another consideration would be to exempt projects with affordable units from parking requirements.

It should be noted that neighborhood forums on development opportunities have also identified that parking is a problem in the downtown residential areas, especially crossover parking from commercial tenants and their customers and from downtown employees looking for free parking. Consequently, the elimination or reduction of parking requirements should be carefully considered.

Next Steps: The Planning Board should consider the ramifications of eliminating parking requirements, including parking fees, in areas where it wants to encourage density and development and then make recommendations to the City Council to revise parking policy. The City might consider reduced parking

requirements in tandem with parking that is restricted to residents only, by additional meters, or with time of the day limits.

Resources Required: Donated time of members of the Planning Board with technical support from the Office of Planning and Development.

5.2.8 Explore Form-based Zoning

Timeframe: Years 6-10

Responsible Parties: Planning Board

Current Status: A form-based zoning code controls the specific urban form of growth and development as opposed to the traditional zoning focus on controlling land uses. Form-based zoning was developed largely in response to urban sprawl, the deterioration of historic neighborhoods, and lack of focus on walkability. The regulations and standards in form-based codes designate the appropriate form, character and scale of development based on a community vision as opposed to the type of use and the control of development intensity through abstract and uncoordinated parameters such as floor area ratios, number of units per acre, setback requirements, parking ratios, etc.

Form-based zoning has gathered greater attention during the last several decades with the arrival of the New Urbanism movement and has been applied to many scales, from a two-block Main Street to a county. A significant amount of form-based zoning has been accomplished in Florida but there are now examples in most areas of the country. In Massachusetts, a form-based code and design guidelines were developed as part of the Downtown Buzzards Bay Redevelopment Plan in Bourne that provided new opportunities for higher density, mixed-use development. In essence, this is what currently exists in Northampton's Central Business District, where there are few restrictions on use but rather on the form of the buildings.

Next Steps: The Zoning Revisions Committee should obtain feedback on the prospects for converting Northampton's zoning to a form-based code at some point in the future, most likely focusing initially at those areas of the city where higher density, mixed uses, including infill development, should occur. It will be up to the Planning Board to implement such new zoning, obtaining City Council approval.

Resources Required: Donated time of members of the Planning Board and Zoning Revisions Committee with technical support from the Office of Planning and Development and potentially a consultant with specific expertise in form-based codes.

5.2.9 Establish a New Mixed-Use Innovations Zone

Timeframe: Years 6-10

Responsible Parties: Planning Board with support from the Housing Partnership

Current Status: The City of Boston is exploring the creation of a new "innovation district" along the South Boston waterfront. The district, sometimes referred to as "Geekville", calls for new zoning to create new housing for young professionals within easy walking distance of the City-owned Marine Industrial Park, where science-based start-up businesses (such as web developers, manufacturers of green products, pharmaceutical researchers, bio-tech industries, etc.) will be lured to settle. As these

knowledge-based industries invest in the area, local leaders believe that university labs and satellite campuses will follow.

This plan is based on the success of a former industrial neighborhood in Barcelona and further informed by the work of Richard Florida who suggested that successful cities are shaped by an especially creative group of young professionals. He indicates that members of this young creative class seek out each other's company and are drawn to dynamic environments with plenty of public space and entertainment options that are close to jobs and housing. Housing types such as cohousing or other more nontraditional models, might meet the needs of these highly-educated people living on small budget.

A mixed-use innovation zone might be particularly responsive to the needs and resources of Northampton given the significant population of young adults, proximity of five world-class colleges and universities, interest in attracting new economic development opportunities, and benefits of upgrading particular parts of the City.

Northampton has introduced a somewhat comparable concept through Village Hill, a major redevelopment effort of the former Northampton State Hospital. The Master Plan for the Village includes 476,000 square feet of mixed-use commercial space, live-work studios, a childcare center, a potential community center and museum, a 60 to 80-unit assisted living facility as well as 207 residential units. Fifty percent of the housing units are planned to be affordable. The first couple of phases have been completed.

Next Steps: The Planning Board, with support from the Housing Partnership, should further explore the opportunities for redeveloping parts of Northampton, focusing more on introducing new technology-based industries and providing associated congregate living options to house employees. . The City should monitor progress in developing such a zone in Boston or elsewhere and determine how best to adapt such a district to meet local priorities. The Planning Board should also reach out to area colleges, universities, hospitals and science-based industries to register their interest in investing in the development of the district, participating in public-private partnerships.

Resources Required: Donated time of members of the Planning Board with technical support from the Office of Planning and Development and Community and Economic Development Office, potentially with the help of a consultant.

Other possible strategies that were recommended in interviews, other existing plans, and public forums include the following for future consideration:

- Increase maximum building height in the downtown from 55 feet to 65 feet if affordable housing is included or consider by-right for all uses;
- Eliminate the Residential Incentive Zone⁵² and replace it with other provisions that promote greater density in appropriate places;

⁵² This zoning district, north of Bridge Road, enables the Planning Board to issue a special permit that allows housing development at somewhat higher density if 33% of the total number of units are affordable and the development conforms to use regulations and dimensional/density regulations and, in all other respects, meets the requirements for an open space (cluster) residential development (Section 350-10.5) in URB districts (Urban Residence B). Two (2) projects have been permitted but neither was built.

Map changes to the Zoning Ordinance by expanding various districts including the Central Business District and Urban Residence B and C districts; and
Up-zone parts of the Urban Residence A district to URB in non-environmentally sensitive areas and down-zone to WP, RR or SC in areas that are environmentally sensitive as appropriate.

5.3 New Housing Production Strategies

To accomplish the actions included in this Housing Plan and meet production goals, it will be essential for the City of Northampton to continue to reach out to the development community and sources of public and private financing. While some of the units produced may rely on the participation of existing property owners, most of the production will continue to rely on joint ventures with developers to create affordable units, which the City continues to actively pursue. The City should reach out to local developers who have been active in producing affordable housing in the area to discuss the City's interest in promoting these types of development, possible opportunities for new development, and local guidelines and priorities. CPA funding and Housing Trust Funds to support preliminary feasibility analyses, some acquisition costs or other subsidies are good investments towards meeting production goals and local needs. As mentioned in strategy 5.1.4, to effectively guide development, the City should also establish a formal process for reviewing local affordable housing proposals in their early conceptual stages through its Housing Partnership.

In this context of reaching out to the development community, the Housing Partnership sponsored a meeting on March 11, 2010 to get input into this Housing Plan, asking both non-profit and for profit developers to specify what actions that City might take to better support affordable housing development and what potential new projects might be added to the Subsidized Housing Inventory in the future. The City should continue to foster this communication with developers, ultimately establishing a ritual of at least annual meetings with the development community (see strategy 5.3.1).

In addition to the participation of the development community, it will be important for Northampton to actively seek continued support from state and federal agencies. In addition to the state's Department of Housing and Community Development (DHCD), other state and quasi-public agencies that have resources to support affordable and special needs housing include MassHousing, MassDevelopment, Department of Developmental Services, Department of Mental Health, Community Economic Development Assistance Corp. (CEDAC), Massachusetts Housing Partnership Fund, and Massachusetts Housing Investment Corporation (MHIC). Regional resources, both financial and technical, should be sought out as well. Because affordable housing is rarely developed without private financing, developments also remain reliant on private lenders.

The following strategies provide the basic components for the City to meet its housing production goals:

5.3.1 Continue to pursue nontraditional housing models that respond to diverse needs

Timeframe: Years 1-2

Responsible Party: Housing Partnership

Current Status: The priority housing needs described in Section 3.3 suggest the need to produce new housing for low-income individuals and families to rent as well as opportunities for first-time homebuyers while also addressing the special needs of the disabled and homeless. As the *All Roads Lead Home: The Pioneer Valley's Plan to End Homelessness* so clearly states, "No one housing model can work for all vulnerable individuals and families. The region must use and develop an **array of housing**

types, which may include public housing, single person occupancy units, boarding houses, shared living arrangements, safe haven models and respite facilities.”

While traditional models of rental and ownership housing tend to be the norm in most communities, largely in response to zoning and financing constraints, Northampton has been on the cutting edge of some more innovative housing types that have addressed particular housing needs, including affordability. In fact, Florence was originally settled as an “intentional community” for those looking for alternative living options. The book, *From Utopia to Florence: The Story of a Transcendentalist Community in Northampton, Massachusetts*,⁵³ describes the formation of the Northampton Association of Education and Industry, which was a utopian, socialist living experiment rooted in transcendentalism and Fourierism, that flourished in the mid-19th Century.

While the Association itself has long since disappeared, the thriving community of Florence remains, including its spirit of religious tolerance and racial brotherhood. This experiment has also inspired other “intentional communities” including the cohousing developments in Northampton discussed below. Northampton has successfully implemented other types of “intentional” living situations that fall outside of traditional rental apartments and fee simple homeownership, which are also described below, in addition to some other approaches that are currently being explored.

- *Cohousing*. The cohousing concept originated in Denmark with a focus on knowing one’s neighbors and providing a safe and nurturing environment for children and harks back to the “intentional communities” concept that was introduced in Northampton through the Northampton Association of Education and Industry back into the mid-19th Century. These developments are cooperative neighborhoods, typically with homes clustered around a common building with facilities that are shared by all residents (dining room, kitchen, play rooms, library).

Northampton has a couple of these developments including Pathways Cohousing and Rocky Hill Cohousing. As the site plan for the Homes at Pathways Cohousing demonstrates, these developments tend to be clustered with a common house in the center or at the apex of the development. The common house supports the community with dining facilities, sometimes guest rooms, children’s play space and meeting and living areas. Parking is located in lots, leaving the interior of the site car-free and providing a safe and supportive place for children to play. Most such developments tend to be more affordably priced, and in Northampton almost three-quarters of the units are valued within the \$200,000 to \$300,000 range. Cohousing can also be readily adapted to mixed-income housing, with several income tiers, and integrate smaller starter housing.

⁵³ McBee, Alice Eaton, *From Utopia to Florence: The Story of a Transcendentalist Community in Northampton, Massachusetts 1830-1852*, A Smith College publication, 1947.



- *Adaptive reuse.* Adaptive reuse involves the conversion of nonresidential properties – such as institutional, commercial and even industrial properties – into housing.

Northampton has several schools that were converted to condominiums including the Old School Commons property, which involved the conversion of the Hawley Junior High School to condominiums in the 1980's as seen in the photo, and St. Michaels High School into subsidized units at



Michaels House Apartments. Other such adaptive reuse efforts have included Everybody's Market and the Silk Mill in Florence, the Herrick Mill, and the conversion of dormitories at the former Northampton Junior College. It should also be noted that the entire downtown did not have housing until the 1970's when the upper stories of commercial buildings began to be converted to residential use.

- *Mixed-use, "above the shop" type housing.* The Zoning Ordinance does allow housing above commercial or retail space which conforms to all Building and Life Safety Codes

by-right in the Central Business, General Business and Neighborhood Business Districts and by special permit in the URC and Highway Business Districts. Such development provides a number of benefits for the city such as creating housing opportunities in close proximity to services and transportation, thus reducing the reliance on the automobile; directing housing to areas that can accommodate greater growth and density; promoting the vitality of business areas after store hours; and providing smaller units for individuals and smaller households. Northampton has a considerable number of these “above the shop” type housing units, particularly in the downtown.

- *Group homes.* Groups homes provide small settings for special needs groups in existing homes in residential neighborhoods. Each bedroom in a group home is eligible for counting in the Subsidized Housing Inventory. Northampton has 45 such units, 25 in homes sponsored by the state’s Department of Developmental Services and another 20 in homes sponsored by the Department of Mental Health.
- *Congregate settings.* Congregate housing can take many forms and other names for such housing have included supported housing, life-care homes, congregate retirement housing, congregate senior communities, residential care, sheltered housing, enriched housing, single room occupancy (SRO) housing, enhanced single room occupancy (ESRO), safe havens,⁵⁴ and even assisted living. Cohousing and group homes, described above, also share elements of congregate living.

In the United States, the term appeared in a 1978 federal law that was intended to provide subsidized housing with supportive services for seniors or the disabled. The original form of congregate housing typically included some meal preparation and housekeeping. Those living in these settings usually did not have their own kitchens and sometimes shared bathrooms. Some congregate housing has been among the most affordable senior or special needs housing because of available subsidies.

Unfortunately, there has been a shortage of such housing and limited funding for new projects in Northampton and elsewhere.

Section 3.3 of this Plan points out that Northampton has lost more than half of its SRO housing stock over the past few decades. It further mentions that a typical SRO rents for about \$300 to \$400 per month, many offering weekly rates as well. Consequently such housing serves as valuable sources of affordable housing for low-income individuals, an identified priority housing need. This type of housing, with supportive services, is particularly responsive to the Housing First approach to meeting the needs of chronically homeless individuals. Examples of congregate settings in Northampton include Go West SRO, Yvonne’s House, Earle Street, Hampshire Inn, Florence Inn, etc.

⁵⁴ Safe Haven Programs are directed to providing service-enriched housing for the chronically homeless mentally ill.

- *Cottage-style or bungalow type housing clusters:* This type of housing has been popular in the West Coast of the country where there is an intense focus on smart growth development principles. The model involves the development of small cottages or bungalows that are clustered around a community green space. This housing type targets empty nesters, single professionals, and young couples. Such development provides opportunities for the ownership of small,



detached dwellings within or on the fringe of existing neighborhoods, often enhancing affordability while simultaneously encouraging the creation of more useable open space for the residents through flexibility in density. This model also provides an infill housing option in areas with reasonable proximity to transportation and businesses. The Village Hill development has proposed a similar bungalow design option but with a traditional road configuration. MassDevelopment selected a developer, who is preparing site plans for submission to the Planning Board in late 2011. It is worth noting that some of the projects elsewhere have shared parking lots or on-street parking, reducing the costs of each unit having its own driveway and parking garage, which for small projects can end up being a real cost and land consumer.

Photo above: Town of Easton Department of Planning and Community Development

- *Live-work space:* Live-work space, sometimes referred to as zero commute housing, are spaces where artists combine their residence with their work area, typically in an open floor plan offering large, flexible work areas. Such spaces are allowed under Northampton's Zoning Ordinance in the Special Industrial districts (in living space above the first floor), Urban Residence C, Highway Business, Downtown (CB), and General Business. In some cases these spaces require a special permit from the Planning Board. There is wide recognition that artists help make Northampton a more livable city, contributing to the cultural and commercial vitality of the community, but the availability of affordable studio space and living space continues to be an issue for local artists.

The only official live/work space, with three (3) units, is currently under construction on Nonotuck Street in Florence. The units include 2000 square feet, half on the first floor as studio space and the remainder above it for living. The units are for sale, priced between \$189,000 to \$243,000. Other possible units include:

- An existing building on Pleasant Street that is marketed for possible conversion to live/work space;
- A project to convert the old creamery building on Prospect Street to five (5) 1,400 square foot live/work units was permitted but is not going ahead;

- Eight (8) proposed units in the North Employees Home, a structure that is to be rehabilitated and converted to live/work units as part of a later phase of the Village Hill development;
- The Arts and Industry Building in Florence meets existing zoning requirements for live-work space, but the developer has not moved forward on the project, and as a practical matter, life-safety building code issues make this project very difficult if not impossible in this particular building; and
- Purstorp building permitted for live/work space.

There are likely other live/work spaces that exist informally but do not have appropriate regulatory approvals.

- *Over 55 Infill Condos:* A local developer built two (2) condo projects in Northampton, Deep Woods and Wildwood, for those in the “in between market” with prices between subsidized housing levels and market rates. These units were not restricted to older adults but were particularly attractive to older women looking to downsize from their larger single-family homes, thus freeing these units for families. The units were priced in the low 100’s when they were built about a decade ago, and are now price at approximately \$225,000. Opportunities to replicate this model to serve the moderate-income needs of seniors should be promoted, with particularly attention to zoning changes to make permitting less costly and time-consuming.

Many of these models can be developed on an infill basis as mixed-income housing, serving a range of needs (see strategy 5.3.4 below). The approaches, with only a couple of exceptions, can also be adapted as rental or ownership, depending upon the goals of the project sponsor and available financing.

Next Steps: The Housing Partnership, with support from the Community and Economic Development Office, should continue to forge partnerships with developers and service providers to produce diverse housing types to meet the identified range of housing needs in Northampton as summarized in Section 3.3 of this Housing Plan. There are specific models for these developments, as mentioned above, that can be tweaked and replicated.

The Housing Partnership sponsored a meeting with developers, non-profit and for profit, on March 11, 2010, and should formalize such meetings on at an annual basis to promote the continued exchange of information on potential opportunities and ultimately the production of affordable housing through the models listed above.

Resources Required: The promotion of affordable housing through more innovative and “smart” development to meet priority housing needs will involve the following types of City support:

- *Rezoning:* The zoning changes described in Section 5.2 of this Plan should help encourage the development of these housing models, incorporating affordability. Zoning amendments to better promote infill housing and ultimately form-based zoning in particular should significantly help diversify the housing stock in locations that are most appropriate.
- *Predevelopment funding:* CPA and CDBG funding as well as potential funding from the Housing Trust could provide resources to support preliminary feasibility analyses for new developments. Such funds could be offered as a grant if it is ultimately found that the project is infeasible and as a loan to be repaid if the project is developed.

- *Permit fee waivers for affordable housing:* The City of Northampton already waives a portion of permit fees for subdivisions, which resulted in fee increases for all other applicants. Because permit staff are largely funded by these fees, further reductions, in this case for affordable housing, would require a greater staffing subsidy or higher fees for everyone else.
- *Community outreach and advocacy:* Efforts will need to be made to provide information on new developments to the community to help bolster local support. Approaches to conducting this outreach are described in strategy 5.1.1. Also, it will be important for local leaders such as members of the Housing Partnership, Mayor and City Council to get behind affordable housing developments, help fine-tune development proposals to best meet local needs, and advocate for their support in the community, and ultimately insure sufficient funding and necessary regulatory approvals.
- *Gap financing:* Local funding – including CPA, CDBG, Smith Housing Fund, and potentially Housing Trust Funds – would also be needed as “gap fillers” to help reduce the gap between the total costs of development and the affordable rent or purchase price of the unit. This local commitment is often critical to leveraging other public and private funding.
- *Supportive services:* To meet the needs of special populations, including seniors, the disabled, chronically homeless, housing is not enough. Supportive services are also required to allow occupants to remain safe, independent and thrive as contributing members of the community. City funding to continue to support such services is essential.

The process of committing these resources will involve donated time and oversight from members of the Housing Partnership, Planning Board, Community Preservation Committee, and potentially the Housing Trust with significant staff time from the Community and Economic Development Office and Office of Planning and Development.

Projected # Affordable Units Produced: 185 units

5.3.2 Fund Small Infill Affordable Housing Development

Timeframe: Years 1-2

Responsible Party: Housing Partnership

Current Status: Smaller, infill development has occurred in the community, some including affordable units. For example, the Pioneer Valley Habitat for Humanity has completed or is in the process of developing affordable units, and continues to look for donated public and private land on which to build. Housing has been built through the Smith Affordable Housing Fund to replace units that were demolished as part of the College’s campus expansion. Local housing organizations – including the Valley CDC, Northampton Housing Authority, ServiceNet, and HAP Housing have developed or redeveloped infill housing that supports priority housing needs. In fact, many of the housing efforts summarized above in strategy 5.3.1 were developed on an infill basis.

As indicated in strategy 5.2.3, zoning reforms are needed to better promote infill development that will allow housing that is more in line with the character of Northampton’s traditional neighborhoods. Once new zoning is in place, it will make infill development more cost-effective

as it will allow for greater economies of scale leading to increased financial feasibility. New zoning should also reduce the possibility that community opposition can derail an important housing initiative.

Next Steps: The City should continue to work with for profit and non-profit developers as well as with abutters of vacant land to develop new infill housing on available vacant sites scattered throughout the already built areas of town in line with new zoning that would allow for more flexibility in regard to density and housing types. The Housing Partnership can play a helpful role in supporting developers in applying for subsidies to insure that at least some of the units are affordable and can be included in the Town's Subsidized Housing Inventory; can negotiate limited development, "friendly" Chapter 40B projects through DHCD's Local Initiative Program as has been done in Habitat projects; and can encourage abutters to create affordable housing on vacant adjacent lots. Additional resources to support such development can be accessed through the state and federal governments.

Resources Required: The Housing Partnership, with support from the Community and Economic Development Office, should continue to forge partnerships with developers to develop infill housing that will include some affordable units and perhaps include other income tiers as well such as community or workforce housing. Funding from CDBG, CPA or even a recapitalized Affordable Housing Trust would be needed to create affordable units and leverage other public and private financing. The Subsidy Guarantee Program suggested in strategy 5.3.3 could also become an effective tool for promoting affordable infill development.

Projected # Affordable Units Produced: 7 units (5 of these units also counted under strategy 5.3.4)

5.3.3 Establish a Subsidy Guarantee Program

Timeframe: Years 3-5

Responsible Party: Housing Partnership

Current Status: The City has been funding new affordable housing units primarily through CPA funds directed to specific projects, helping to fill the gap between the total costs of development and the affordable rents or purchase prices. This subsidy has helped project sponsors leverage other important funding from the state and federal governments to make projects financially feasible.

While this is still an essential approach for producing affordable housing, the City might also consider an incentive program to attract further interest in developing affordable housing by offering a specific amount per affordable unit to those interested in creating such units. The City could further offer a lesser amount per unit in an effort to also promote "community" housing units for homeownership projects.⁵⁵ Such a subsidy could also be adapted to promoting green and sustainable design options (see strategy 5.4.4).

⁵⁵ "Community housing" typically refers to units targeted to those earning between 80% and 100% of area median income, still eligible for CPA funds.

Next Steps: The Housing Partnership should prepare a program design that specifies terms and conditions, including administrative procedures, and present the program to the Community Preservation Program for funding.

Resources Required: Donated time of members of the Housing Partnership and staff time from the Housing and Community Development Planner. CPA funding would be required to launch the program.

Projected # of Affordable Units Produced: Units that are assisted through this program are counted in other development strategies.

5.3.4 Continue to Make Suitable Public Land Available for Affordable Housing

Timeframe: Years 3-5

Responsible Party: Housing Partnership with support from the Mayor and City Council

Current Status: As mentioned in Section 4, major obstacles to developing affordable housing in Northampton include the limited availability of developable property, publicly-owned property in particular. While the major thrust of many communities' proactive housing agendas has been the development of City-owned properties that are suitable for some amount of affordable housing, this is more difficult to do in Northampton where there are fewer options available. Under preliminary consideration for possible development of housing, including affordable housing, is a parcel on Prospect Street that was formerly designated as the Town Farm to provide support for the poor, and has been recently used by the City's Department of Public Works (DPW). Another potential opportunity is a 5.26-acre parcel on Oak Street in Florence.

The City of Northampton may decide to acquire other privately owned sites at some time in the future for the purposes of protecting open space, providing for some municipal use, and/or developing some amount of housing, including affordable housing, through cluster development on a portion of the sites. Additional smaller sites may be available as well to build affordable new starter homes on an infill basis. There is actually a precedent for this as the City has acquired property for limited development, involving open space preservation as well and the use of the comprehensive permit process. These sites were conveyed to Pioneer Valley Habitat for Humanity, which has completed or is in the process of developing three (3) projects including:

- Six (6) new homes on Westhampton Road that provide a neighborhood housing buffer from a planned landfill expansion as well as a tot-lot and walking trails. Another market rate lot was sold to help defray project costs.
- Two (2) condo units on Ryan Road.
- Five (5) single-family homes are being built on Garfield Avenue.

Some limited opportunities may also be available through the taking of tax-foreclosed properties for affordable housing. As the City becomes alert to opportunities for acquiring property that would be suitable for some amount of affordable housing, such properties would ideally meet a number of "smart growth" principles such as:

- The redevelopment of existing structures,
- Infill site development including small home development as starter housing,

- Development of cluster housing in underutilized locations with some existing or planned infrastructure, and
- Mixed-use properties in the downtown, village areas or along commercial corridors.

Next Steps: The Housing Partnership should continue to work with other City boards and committees to identify and pursue surplus municipal property or acquire private property for the development of affordable housing. For such properties, when identified, the City should focus on providing the following types of support:

- Where appropriate, the City should support the costs of *preliminary feasibility analyses* of existing City-owned parcels or on sites identified on the open market, through negotiations with interested sellers for reduced prices or through tax foreclosures that might potentially include some amount of affordable housing. Such analyses could be funded through Community Preservation funds or a recapitalized Housing Trust Fund.
- As discussed in strategy 5.1.1, *neighborhood outreach* to inform residents about the potential for developing properties in the area, to obtain their feedback, and address local concerns to the greatest extent possible.
- Following the necessary approvals for the conveyance of City-owned properties, the Housing Partnership, in concert with the Community and Economic Development Office, should prepare a *Request for Proposals (RFP)* to solicit interest from developers based on the City's specific project requirements. They should then select a developer based also on identified criteria included in the RFP.
- Additionally, the City will need to be involved in attracting the necessary financial, technical and political support. *Evidence of municipal support* is often critical when seeking financial or technical assistance from regional, state or federal agencies.
- Also, *additional local subsidies* to fill the gap between total development costs and affordable purchase prices or rents, through CPA funding or Housing Trust Funds, are very helpful in leveraging limited and competitive state and federal funding and making projects financially feasible.

Resources Required: Resources will be required to help determine initial project feasibility and subsidize the development. Comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones. Many communities, like Northampton, have used the “friendly” comprehensive permit process to take advantage of these internal subsidies, to create the necessary densities to make development feasible, and/or to make it easier to navigate the existing regulatory system. Other developments require public subsidies to cover the costs of affordable or mixed-income residential development and need to access public subsidies through the state and federal government and other financial institutions to accomplish these objectives. Because the costs of development are typically significantly much higher than the rents or purchase prices that low- and moderate-income households can afford, multiple layers of subsidies are often required to fill the gaps. Even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover. A mix of financial and technical

resources will be required to continue to produce affordable units in Northampton. Appendix 4 includes summaries of most of these programs.

The development of publicly-owned land will require local oversight from members of the Housing Partnership and other City boards and committees (such as Assessing, ZBA, the Planning Board, and Community Preservation Committee) as well as coordination from CEDO's Housing and Community Development Planner.

Projected # Affordable Units Produced: 50 units (5 of these units also counted under strategy 5.3.2 and 10 under strategy 5.3.1)

5.3.5 Provide Down Payment and Closing Cost Assistance

Timeframe: Years 3-5

Responsible Party: Housing Partnership

Current Status: Given the economic climate and the current foreclosure crisis, lenders have established more rigorous mortgage lending criteria including down payments of as much as 20% of the purchase price. This substantial amount of up-front cash, including closing costs, places an enormous financial burden on those who do not have equity from a former purchase or significant savings. Even those who can qualify for special mortgage programs with down payment requirements of less than 5%, such as the state's Soft Second Loan Program and MassHousing's First Time Homebuyer Program, are finding it difficult to come up with the necessary up-front cash.

HAPHousing has been administering federal funding through the American Dream Downpayment Assistance Program to help first-time homebuyers with down payments and closing costs. Such funding has been available for qualifying Northampton purchasers. Deferred loans for the down payment and closing costs of up to 5% of the purchase price to a maximum of \$10,000 were made at no interest and with a five-year term, to be forgiven after five years. Another loan can be made through the program to cover deleasing in addition to the down payment and closing costs, but with a ten-year term instead and with at least 2.5% of the purchase price covering the down payment. Unfortunately, the federal government is no longer funding this program. However, federal HOME Program funds can be used to subsidize down payments and closing costs if such funding can be accessed by HAPHousing or the City of Northampton. It should be noted that DHCD will not accept the required federal deed rider in place of its approved LIP deed rider. Therefore, units that blend CPA funding with HOME Program assistance are not currently eligible for inclusion in the SHI.

Many cities offer down payment and closing cost assistance to qualifying households. For example, the City of Salem provides a no-interest, deferred payment loan to first-time homebuyers to use toward the down payment and closing costs on a condo, single-family, or multi-family (2-4 units) home. The program, with CDBG funds, will match a first-time homebuyer's down payment up to \$6,500. Applicants who complete a CHAPA-certified homebuyer counseling course prior to closing are eligible for an additional \$1,000 in matching funds. Repayment of the loan, in full, is due upon sale or transfer of the property or if the owner ceases to occupy the property as his/her permanent residence.

Another regional resource that has helped households obtain some of the up-front cash that is needed to purchase their first home is the CommonCents Program administered by Community Action of the Franklin, Hampshire and North Quabbin Regions. CommonCents enables participants to establish an

Individual Development Account (IDA) that is a matched savings account designed to help families invest in assets such as education, homeownership, and small business development. Key components of the program include:

- Matched savings based on a 3:1 match such that every dollar that participants save through their account is matched by \$3.00 through the program;
- Extensive financial education opportunities; and
- Ongoing one-on-one counseling on a monthly basis.

Next Steps: Northampton provided down payment and closing cost assistance in the past through CDBG funding, and has the opportunity to offer it once again. The Housing Partnership should prepare a program design that specifies terms and conditions, including administrative procedures, and present the program to the Community Preservation Program for funding or determine to use CDBG funds.

It should be noted, that there appears to be some difference in opinion regarding the provision of CPA funds for the acquisition, creation, preservation and support of deed-restricted units versus directly to income-eligible individuals. Consequently, the use of CPA funding is clearly incontrovertible when the unit is deed restricted and becomes a long-term community asset, affordable in perpetuity. Without the deed restriction, the term “support” is subject to interpretation by local counsel and leadership. In this regard, it is probably safer to combine CPA-funded down payment and closing cost assistance with an existing housing program or development that requires the deed restriction at this time. In the 2010-2011 legislative session, specific legislation to eliminate any concern about using CPA funding for direct assistance to individuals, referred to as Senate Bill 90, was proposed but time ran out before the legislation could be adopted. The 2011-2012 legislative session is introducing identical legislation through Housing Bill 765 and Senate Bill 1841, which has considerable support.

Resources Required: Donated time of members of the Housing Partnership and staff time from the Housing and Community Development Planner. CPA or CDBG funding would be required annually.

Projected # of Affordable Units Produced: Units that are assisted through this program are counted in other development strategies.

GOAL #2: Preserve and Sustain Existing Affordable Housing

5.4 Promote the Affordability and Sustainability of Existing Housing

In addition to creating new affordable housing units, the City should focus on opportunities for generating greater affordability from its existing housing stock including sustaining the affordability of its subsidized housing.

5.4.1 Monitor and Maintain SHI Units

Timeframe: Years 1-2

Responsible Party: Housing Partnership

Current Status: Based on how housing was financed, how long the affordability requirements were established, and other stipulations in affordability agreements, the affordable status of

housing units can be in jeopardy in the future. As indicated in Section 4 of this Plan, there are a number of affordable housing developments in Northampton where affordability requirements are due to expire in the near future or long-term that could result in the City losing units in the Subsidized Housing Inventory.

Northampton has been successful in insuring the continued affordability of units that involved affordability restrictions that were due to expire. For example, the City was instrumental in brokering the purchase and refinancing of 252 rental units at Meadowbrook Apartments by Preservation of Affordable Housing (POAH). The City was also involved in extending the affordability of units at Hathaway Farms through the creation of the Affordable Housing Trust Fund, which was funded through both public and private commitments. The Fund was established to provide rental subsidies to households earning at or below 60% of AMI to continue affordability after the conversion to market rates. Although the Fund is now exhausted, it yielded an additional eight (8) years of affordability for 55 households.

The affordability of units at Hathaway Farms is due to expire in 2014, and 19 units at Leeds Village Apartments are due to expire in 2018. A Valley CDC project is due to have its affordability restrictions expire in 2016.

Next Steps: It is important to insure that all affordable housing units that are produced remain a part of the City's Subsidized Housing Inventory for as long as possible. The Housing Partnership should continue to closely monitor developments with affordable units and work with existing project sponsors to maintain affordability into the long-term. It should intervene to maintain the units as affordable through providing support for refinancing, attracting a new purchaser and refinancing if necessary, and even going through the court system if appropriate.

Resources Required: Donated time of members of the Housing Partnership and staff time from the Housing and Community Development Planner.

5.4.2 Convert Existing Housing to Affordability

Timeframe: Years 3-5

Responsible Party: Housing Partnership

Current Status: Given somewhat sluggish market conditions, programs that are directed to acquiring, improving and converting existing housing to long-term affordable ones make considerable sense as acquisition prices are a bit more reasonable. There are a variety of program strategies that provide affordability by focusing on existing dwelling units rather than new ones including:

- *Homebuyer Assistance Programs:* Homebuyer Assistance Programs (also referred to as Mortgage Assistance Programs) provide subsidies to qualified first-time homebuyers to fill the gap between the market purchase price and the affordable price that is allowed under the state's Local Initiative Program (LIP). Such programs have been adopted in a number of municipalities in the state. For example, Brookline's Homebuyer Assistance Program is funded through CDBG funds and provides subsidies ranging from \$100,000 to \$175,000, depending on type of unit. Assistance is provided through a 0% interest rate loan with no monthly payments on a first-come, first-served basis. The loans are secured with a 30-year second mortgage and a promissory note, which requires repayment of the loan and in some cases a deed restriction (for

condos in associations with six or more units) that provides the Town with the right of first refusal when and if the property is resold. The program does not require any repayment of the loan for at least the first 30 years of occupancy, and refinancing is not allowed without the Town's permission. The Town provides the minimum subsidy necessary to make the purchase possible, and refers applicants to other sources of financing instead or in conjunction with its funding such as the Soft Second Program and MassHousing's First Time Homebuyer Program. The amount of the subsidy is based on the participant's income and savings, the cost of the property, and the amount and terms of other (first mortgage) financing available.

Newton's First Time Homebuyer Program provides a deferred loan of up to \$100,000 through a combination of federal HOME funding and local CPA funds. The funds need not be paid back, provided that the homebuyer has complied with the deed restrictions and other program terms and conditions including that the property be used as the owner's principal residence. No payments are required unless the property is refinanced or conveyed. Funding assistance may also include a forgivable grant of up to a maximum of \$15,000 in CDBG funding that can be used toward either the good faith offer made on a Purchase and Sale Agreement or for closing costs.

The town of Chatham has introduced the First Time Homebuyers Assistance Program that uses up to \$60,000 in CPA funds per household to fill the gap between the market price of a home and the affordable purchase price as allowed under the state's Local Initiative Program (LIP). Purchasers are pre-qualified through the Program before they are able to search in the private housing market for a qualifying home and deed restrictions are required. Purchasers are also required to attend first-time homebuyer classes and encouraged to explore more affordable mortgage financing such as loans through the state's Soft Second Loan Program. The Chatham Housing Authority administers the Program. Comparable programs are also available in Marshfield, Acton, Cambridge, and Bourne, largely subsidized through Community Preservation funding. Most of these efforts have been implemented during the last several years.

- *Buy-down Programs.* This approach involves the purchase of one or two-family structures or other housing types, renting or reselling one (or possibly both/several) of the units subject to a deed restriction that assures permanent affordability. There is also some precedent in Northampton in dividing larger Victorian homes into condos that could also be adapted to a buy-down initiative.

Buy-down programs have proven to be viable strategies in a number of communities including the Sandwich Home Ownership Program (SHOP) implemented several years ago that produced seven (7) affordable housing units under the coordination of the Housing Assistance Corporation (HAC), the Cape's regional non-profit housing organization. Buy-down programs are usually coordinated by a non-profit housing organization and have also been implemented in Cambridge, Newton, Bedford and Arlington, for example. A number of communities – including Sandwich, Barnstable and Lexington – have had their Housing Authorities or another non-profit organization acquire properties that they continue to own and manage as rentals.

- *Hybrid Programs.* Some communities have combined the above two approaches such that the program sponsor identifies the properties for acquisition, places an option on the property,

identifies the purchaser from the prepared Ready Buyers List⁵⁶, and offers its subsidy at the mortgage closing. For example, the Sudbury Housing Trust searches the market for a property within its “price point”, at about \$350,000, which is at the lowest end of the market in this community. This market price, plus consideration for some repairs, creates a gap of approximately \$200,000 given the maximum affordable purchase price of about \$175,000 when using state LIP requirements. Thus \$200,000 has been the maximum per unit subsidy for the program. The Housing Trust has also subsidized additional units in private comprehensive permit projects to create more affordable units in these developments.

Next Steps: The City, through the Northampton Housing Partnership, should further explore these models and design a program that best addresses the needs, available resources, and priorities of Northampton. It may decide to prepare a Request for Proposals to select a non-profit entity to manage the program.

The focus of such an initiative should be those housing units that are most affordable in Northampton’s private housing market to minimize the amount of subsidy required to fill the gap between the purchase price and any costs of improvements and the affordable rents or purchase prices. Smaller homes and condos are reasonable targets. Community Preservation funding could be used to subsidize the Program, and a funding request would have to be submitted to the Community Preservation Committee at some point.⁵⁷

Resources Required: The donated time of members of the Housing Partnership and staff time from the Housing and Community Development Planner and potentially some professional time from a consultant to prepare an implementation strategy.

Projected # Affordable Units Produced: 16 units

5.4.3 Rehabilitate the Grove Street Inn

Timeframe: Years 1-2

Responsible Party: Housing Partnership

Current Status: The City of Northampton owns the Grove Street Inn, an emergency shelter with about 20 to 24 beds for both men and women. This property was originally a farmhouse that was part of the Northampton State Hospital.

The shelter is an important component of the City’s effort to provide housing for the homeless. It is always full, with an average of 40 to 50 people on the wait list. Open to all homeless adults, it is the only such shelter in Hampshire County. Approximately 25% of the guests are young adults, many of whom have “aged-out” of the state’s foster care system, and many others suffer long-term disabilities with

⁵⁶ A Ready Buyers List, as well as a Ready Renters List for rental developments, involves the implementation of a state-approved Affirmative Fair Housing Marketing Plan that results in a list of eligible applicants ranked according to a lottery and some preference criteria.

⁵⁷ It should be noted that a problem has emerged in blending the HOME or previously funded American Dream Downpayment Assistance Program and CPA funds as DHCD will not accept the HOME Program deed rider since they require the Fannie Mae Universal deed rider for all Local Action Units. Consequently, if HOME or ADDI funding is used that require their own deed restrictions, the units would not be eligible for inclusion in the SHI.

extremely low incomes. Some others work full or part-time but are still unable to afford the costs of housing in Northampton.

The Grove Street Inn has no permanent base of funding and a unique collaboration of sponsors share the responsibilities of administering the Inn with ServiceNet taking the lead in operations. Unfortunately, the Inn has fallen into some disrepair given that it has been in operation since 1990 and serves an average of 250 homeless individuals per year. Repair needs include new windows, front porch improvements, an upgraded kitchen including a commercial dishwasher, siding and a major update of the men's bathroom.

Next Steps: The City's Community and Economic Development Office, has determined that the necessary improvements will total approximately \$100,000, of which \$36,000 in CPA funding has been made available to begin work through an initial phase. Funding to complete the work will be required. The City should also consider opportunities for additional development by completing a Master Plan for the site.

Resources Required: It is expected that the rehabilitation will involve approximately \$100,000, most likely to be subsidized by CPA funding. Staff time from the Community and Economic Development Office will be necessary to coordinate the funding and improvements.

5.4.4 Promote Sustainable Energy Conservation Measures

Timeframe: Years 3-5

Responsible Party: Housing Partnership

Current Status: Affordable housing should be affordable to rent or purchase but also affordable to operate. To reduce energy expenses during this time of rising costs and to help foster the use of cleaner energy sources, the City of Northampton should continue to find opportunities to promote the use of sustainable energy conservation measures. This issue is particularly important for housing as efforts to reduce the costs of utilities leads directly to greater housing affordability.

The City has in fact made significant progress in the area of energy conservation including the following:

- On June 2008, the City established the Energy and Sustainability Commission to "assist and ensure that the City identify, develop, implement, and manage programs and policies that achieve high levels of energy efficiency and energy resource sustainability and guard against effects of energy resource disruption/depletion and climate change in all of Northampton's public and private sectors consistent with the goals of the Sustainable Northampton Plan, the City's climate change protection commitments, and other City plans/goals."
- The City hired an Energy and Sustainability Officer to support the City's energy conservation efforts.
- In June 2010, the City earned official Green Community status from the state and thus received a \$198,500 grant for a 51 kilowatt solar power project. To qualify for the Green Community designation, the City had to meet a number of clean energy benchmarks including:

- Local zoning that allows as-of-right siting of renewable energy projects and an expedited permitting process related to these as-of-right facilities;



- A municipal energy use baseline and program designed to reduce energy use by 20%

within five (5) years;

- The purchase of only fuel-efficient vehicles for municipal use when available; and
- Requirements that all new residential, commercial and industrial property construction reduce lifecycle energy costs such as through the adoption of an energy-saving building "stretch code".
- Adoption of the energy stretch code to improve building energy efficiency.
- Investments in renewable energy through solar panels on the JFK Middle School, the conversion of landfill gases to electricity, solar powered parking meters, geothermal heat pumps at the Senior Center, and biodiesel-operated City vehicles, for example.
- The development of the GreenUp Program that has enabled hundreds of residents and businesses to use renewable energy, enabling the City to earn over \$140,000 to support clean-energy projects.
- Investments in promoting greater energy efficiency through Silver LEED rating on the construction of the Senior Center, high efficiency LED traffic lights, more efficient vehicles for meter-reading, high efficiency hybrid vehicles for DPW, etc.
- Ongoing efforts to better plan and promote energy conservation including the upgrading of buildings, expanding bike and pedestrian pathways, increasing community energy literacy, and supporting private sector energy conservation measures.

In addition to basic efforts to weatherize existing units, there are other green design models that have been created in Northampton and the region that deserve attention and replication. For example, Kraus-Fitch Architects, Inc. designed renovations to an historic home that included super-insulation, solar panels and other measures that have created a net-zero energy consumption level (see photo above). The owners have reported that even with snow on the solar panels, they are on target to generate more power than they use.

The architects also designed the Homes at Pathways Cohousing (see photo below) to be solar tempered and energy efficient. The buildings were sited with respect to solar access, and other energy



conservation measures were utilized. Materials and systems were selected to minimize ecological impact and maximize air quality (see photo below).

Another recent development that has gained some attention is the Wisdom Way Solar Village, a 20-unit, solar-powered condominium complex in Greenfield. The project was developed by Rural Development Incorporated, a non-profit developer of affordable housing. The three-bedroom condos sold for \$140,000. One of the purchasers stated, "We love being able to tell people we

have an earth-friendly home that is efficient, affordable, and LEED platinum certified. By living here we have a very low carbon footprint, which is very important to us." A key ingredient of the project's affordability was a \$10,000 grant that purchasers received from the Federal Home Loan Bank of Boston's Equity Builder Program (EBP) through member Florence Savings Bank and the use of the state Soft Second Program, among other subsidies.

Village Hill also includes a successful model of effective green building for 40 units of subsidized rental housing at the Hillside Place Apartments. This development also incorporated solar panels and other insulation materials, designed by Dietz & Company Architects, Inc. (see Section 3.2.6 for a photo).

Another noteworthy "green" project is the Solar Circle Condominium development off of Laurel Road in Haydenville. As seen in the photo below, this project involved the construction of 11 single-family detached condos, each superinsulated with many "green" materials including cement board siding, direct vent room heaters, and photovoltaic panels. The 11 units are clustered on four (4) acres, reserving the remaining 18 acres of forested open space.

The project was developed by the Hilltown CDC, designed by Peter Frothingham, and built by Teagno Construction, Inc. The units include both two- and three-bedroom units, ranging from 1,100 to 1,235 square feet with an additional 200 square feet of unfinished second-floor space that can be finished by the homeowners in the future. Total development costs averaged about \$270,000 and were subsidized down to the affordable purchase prices of \$140,000 and \$150,000 through a number of sources including the HOME Program, state Affordable Housing Trust Fund, and special energy grants or incentives from the Massachusetts Technology Collaborative (through the HAP Green Affordable Housing Program), National Grid, Energy Star rebates, the Home Depot Foundation, the Community Foundation of Western Massachusetts, and the Community Economic Development Assistance Corp.

Florence Savings Bank provided the construction financing, and some purchasers also received CDBG down payment assistance and Soft Second Loan Program mortgage financing.



Photo courtesy of PRFA & LDa Architects, LLP. Solar Circle Condominium Development

Next Steps: The City should pursue efforts to bring attention to these exemplary projects and to better promote green and sustainable building methods. To accomplish this the City might explore the following approaches:

- Opportunities to present information on this issue and success stories through the cable programming recommended in strategy 5.1.1;
- A rebate or grant program for energy conservation measures funded by CDBG or CPA;
- A series of public service announcements on energy conservation;
- Continued implementation of the City's energy and sustainability programs; and
- Northampton's Energy and Sustainability Committee are interested in moving forward on this opportunity. While upgrading all existing SHI units would be a local priority for the use of PACE, complications with respect to financing these units are likely to arise.⁵⁸

Resources Required: The donated time of members of the Housing Partnership and staff time from the Housing and Community Development Planner. CPA and/or CDBG funding, as well as other potential funding sources, to help subsidize energy conservation measures in existing properties and new residential development.

⁵⁸ Massachusetts recently adopted PACE, as more than 20 states have done, and Northampton now potentially has another innovative tool to promote investment in clean energy and create jobs. The program allows property owners to finance energy efficiency and renewable energy improvements using low-interest bonds that generally have no recourse to the municipality. Through this program, interested residential and commercial property owners can receive long-term financing for up to 20 years to conduct these improvements, repaid through an assessment on property taxes. However, thus far Fannie Mae and other secondary market sources have been reluctant to purchase mortgages with such financing.

5.5 Help Preserve Affordable Market Units

The following strategies involve support that is needed to assist owners of non-subsidized affordable housing to keep the units affordable and in compliance with building codes.

5.5.1 Sustain and Expand Housing Rehab Programs

Timeframe: Years 3-5

Responsible Party: Housing Partnership

Current Status: In the past the City funded a Housing Rehab Loan Program with annual CDBG allocations, and most cities in Massachusetts provide such assistance. The Council on Aging administers a home improvement program for income-eligible seniors age 60 and over. Up to \$1,500 in grants are offered for repairs (one to three are provided per year), including code violations and handicapped accessibility modifications. Low interest (2.5%) deferred loans are also provided for up to \$8,000 (four to six issued per year) with repayment due when the property is refinanced or sold. Whether one receives a grant or loan depends largely on the costs of the repairs.

Most cities use CDBG funding to support Housing Rehab Programs that provide assistance for moderate rehabilitation projects in order to eliminate existing or potential health and safety hazards, to promote greater handicapped accessibility, and sometimes to also undertake historic preservation. Technical assistance is typically in the form of a housing inspection and work write-up that is used to solicit bids from qualified contractors. Financial assistance is usually in the form of zero percent interest loans. Repayment options depend on the applicant's income and ability to repay and loans are typically forgiven after 15 years or upon sale or transfer of the property.

Some cities also extend financial assistance to landlords with low- and moderate-income tenants in one to seven-unit properties.

Next Steps: The Housing Partnership, with support from the Community and Economic Development Office, should reintroduce the Housing Rehab Program, revisiting program terms and conditions and revising as appropriate.

Resources Required: The Program would require staff time from the Community and Economic Development Office for administration and CDBG or CPA funding annually.

5.5.2 Sustain and Improve Existing SRO Units

Timeframe: Years 3-5

Responsible Party: Housing Partnership

Current Status: As indicated in Section 3.3 of this Plan, Northampton has lost more than half of its SRO housing stock over the past few decades as older rooming houses and small hotels were converted to market housing units or other uses. It further mentions that a typical SRO rents for about \$300 to \$400 per month, many offering weekly rates as well. Consequently such housing serves as a valuable source of affordable housing for low-income individuals, an identified priority housing need. In order to save some of these units and make necessary improvements, the Valley CDC, HAPHousing and ServiceNet, for example, have acquired these properties, rehabilitated them and subsidized them as affordable for as long a period as possible.

The City has also been partnering with the Center for Human Development on the SRO Outreach Project. This project was created in response to the deinstitutionalization that occurred in the 1980's, forcing many disabled residents into the community, into SRO type housing in particular. The project funds a service provider coordinator who works to connect SRO residents to necessary resources. The City's Community and Economic Development Office continues to provide technical assistance as part of this program.

Financing for the redevelopment of SRO's is extremely limited, and it is unlikely that there will be sufficient resources available to subsidize all of the existing supply of such units. While it is important to continue to make progress in acquiring and subsidizing such housing for low-income individuals, it also makes sense to preserve existing SRO units to the greatest extent possible to maintain this very important housing type in Northampton. There are properties that come onto the market now and then that might be acquired, refinanced, rehabilitated and maintained as affordable in perpetuity. Some owners of such properties may also find the Subsidy Guarantee Program described in strategy 5.3.2 of some benefit.

Next Steps: The City should continue to work with Valley CDC, ServiceNet, HAP, etc. on affordable development projects involving SRO's and maintain its connection to the SRO Outreach Project. Additionally, it was recently determined that affordable units that were rehabilitated under the Section 8 Moderate Rehabilitation Program would integrate supportive services for residents as was the initial intention when these projects were developed. The City is working with the Valley CDC in particular on this effort.

Resources Required: Continued financial support through CDBG, McKinney funds and/or CPA for projects involving affordable SRO units including advocacy on the part of the Housing Partnership for necessary local approvals and other necessary financing.

5.5.3 Create a Climate of Public Support for Landlords

Timeframe: Years 3-5

Responsible Party: Mayor and City Council with Input from the Housing Partnership

Current Status: While the City can currently count approximately 1,300 units as part of its Subsidized Housing Inventory, these are only units that meet all of the rigorous standards of the state – the big “A” affordable units. Most actual affordable units – what is commonly referred to as little “a” affordable units – are unsubsidized and part of the private housing stock. In fact, private landlords are the greatest provider of affordable housing in Northampton and many keep rents at artificially low levels to maintain good tenants. Efforts to help property owners maintain these little “a” affordable units should be a priority of the City.

Next Steps: The Mayor, working with the City Council, should establish a climate of support for landlords within all departments of City government. Such efforts might include the following:

- Workshops for landlords on relevant real estate and property management issues such as tenant/landlord relations, the use of rental subsidies, how new zoning might affect their properties, cost control and energy conservation measures, etc. Such sessions were held in the past and should be reintroduced.

- Assistance with code compliance issues.
- Opportunities to showcase landlord issues through the cable programming recommended in strategy 5.1.1.
- An annual award from the City that acknowledges contributions of selected landlords in serving the community.
- A coordinated effort on the part of all City departments that deal with small landlords to simplify the process of receiving permits and other local approvals.
- Resources to help landlords make improvements (see strategies 5.3.3, 5.4.4 and 5.5.1).

Resources Required: Coordinated efforts on the part of all City departments to cultivate relationships with owners of privately held, market rate yet affordable rental units with some monitoring from the Housing Partnership.

GOAL #3: Work to End Homelessness

5.6 Continue Active Support for Local and Regional Efforts to End Homelessness

As discussed in Section 3.3, homelessness prevention as well as shelters and rapid re-housing efforts are all components of the City approach to addressing the continuing problem of homelessness in Northampton and the Pioneer Valley. As the *All Roads Lead Home* plan indicates, “solutions to homelessness must be housing-focused”. As such, it is essential that this Housing Plan include varied, flexible, and accessible supports for preventing and ending homelessness. Key organizational and programmatic strategies for solving the homeless crisis are summarized below.

5.6.1 Continue to Facilitate and Support the Three County Continuum of Care

Timeframe: Years 1-2

Responsible Party: Housing Partnership

Current Status: The City of Northampton, through its Community and Economic Development Office, serves as the Lead Agent for the Three County Continuum of Care, which is the regional entity created to provide a continuum of support from emergency shelters to transitional housing and ultimately to permanent housing serving those exiting homelessness. The Continuum of Care involves a collaboration of representatives from all of the major housing service providers in the three-county area. Over \$1.3 million in HUD McKinney funding was provided to the Continuum in FY10 to fund a wide range of programs and services. The City initiated the Continuum in 1997 and has applied for and secured, on average, a million dollars of HUD McKinney funding for local and regional programs each year since. The Continuum of Care comprises Franklin, Hampshire and Hampden Counties with the exception of the City of Springfield.

Next Steps: The City’s Community and Economic Development Office (CEDO) will continue in its capacity of the administrator of the Continuum of Care. In addition to submitting the application and administering the program, the next year will focus on creating a Homeless Management Information System to meet HUD data requirements and track performance outcomes.

Resources Required: The Housing and Community Development Planner will continue to staff the Continuum of Care with oversight by the Director of CEDO. The McKinney Program administration fee provided by HUD is insufficient to cover staffing costs. Annual contributions made from the cities of Westfield, Holyoke, Chicopee, and Easthampton, and the town of Amherst support the City's work on behalf of the region.

5.6.2 Continue to Participate in the Western Massachusetts Network to End Homelessness (WMNEH)

Timeframe: Years 1-2

Responsible Party: Housing Partnership

Current Status: In 2008, Massachusetts executive and legislative leaders declared a bold vision: ending homelessness in the Commonwealth. In response, local community leaders formed the Western Massachusetts Network to End Homelessness to turn that vision into a reality. In conjunction with Mayor Sullivan from Holyoke and Mayor Ryan from Springfield, Northampton Mayor Higgins spearheaded the effort to create a regional plan to end homelessness. *All Roads Lead Home*, the Pioneer Valley's 10 Year Plan to End Homelessness, compliments Berkshire County's and the City of Springfield's 10 year plans. In addition, Northampton was involved in a regional collaboration to secure a million dollar grant from the state Inter-Agency Council on Housing and Homelessness to form a regional network – the Western Massachusetts Network to End Homelessness. This effort is geared towards solidifying a western Massachusetts, four-county system to address homelessness. One year after the Network's founding, with dozens of active members from every sector of our community and a new level of collaboration and innovation, the Network is thriving and its impact is already lasting.

The ICHH grant concludes in June of 2011, but was successful in administering funding for pilot projects and furthering the regional dialogue. Committees met and will continue to meet regularly, coordinated case management is occurring and system change is being achieved. The current co-chair of the Leadership Council for the Network is a Northampton Housing Partnership member. The Director of the Regional Network also serves on the Northampton City Council. Additional funding has been secured through local foundations to fund the Network Coordinator position into the new fiscal year.

The key strategy for ending homelessness is a model called Housing First. Where the old system offered shelter, the new model offers housing. The old model dictated that a person address barriers to stability before housing; the new model recognizes that people in housing are much more likely to get jobs, or treatment, or whatever they need to maintain stability. Services are best provided to people when they are in housing—not shelter. In its first year of formal existence, the WMNEH has demonstrated the extraordinary power of collaboration. Time, money, commitment, data collection and evaluation: all have been provided in abundance to exchange and develop new strategies; to scrutinize success and failure so it is only the success that gets duplicated; to build the relationships across providers, business, faith, academic and political leaders so that trust and shared goals ensure maximum impact.

Next Steps: The City, as a local municipality and the Lead Agent for the Three County Continuum of Care, will continue to support the regional efforts by participating on the Steering Committee of the Leadership Council for the Western Massachusetts Network to End Homelessness and the

Leadership Council for the Western Massachusetts Inter-Agency Council on Housing and Homelessness. Locally, the City will continue to provide staffing and support to the Northampton Housing Partnership and the Next Step Collaborative, a monthly gathering of local housing and homeless service providers. The City will also take a lead role in the implementation of an HMIS data collection system to insure optimum program operation and guide program design across the region.

Moreover, as the City makes progress in the implementation of this Housing Plan, it will need to rely upon a wide range of resources for support. In its efforts to reduce homelessness, the WMNEH is an important connection to maintain. The Network is focused on prevention, diversion, and rapid re-housing, providing a collaboration between service providers, housing providers, the Housing Courts, and funding service agencies, all in an effort to find the right housing resources for those at-risk of homelessness at the most opportune time. The organization has also recently prepared a directory on resources to fight homelessness that will reinforce its efforts to promote collaborations in pursuit of ending homelessness.

Resources Required: The annual federal CDBG entitlement allocation pays for staffing to administer the CDBG program, facilitate local service coordination, support work on affordable housing and the submission of the McKinney grant for the region. The McKinney administration fee, along with contributions from area municipalities, covers staff costs for the management of the Continuum of Care. Two (2) grants have been secured from the Community Foundation of Western Massachusetts in partnership with the Hampshire County Friends of the Homeless to implement the HMIS project and cover staff time spent on regional collaboration. The Community and Economic Development Office consists of three (3) people. The Housing and Community Development Planner performs the duties described above. Additionally, resources include the donated time of members of the Housing Partnership.

5.6.3 Support Homelessness Prevention Programs

Timeframe: Years 1-2

Responsible Party: Housing Partnership

Current Status: As indicated in Section 3.3.1, the City recognizes the importance of prevention and housing stabilization activities in the service delivery system. Rather than addressing people's needs once they enter emergency shelter, it is more humane and cost effective to maintain their current housing, if possible. The Regional Network, created through a state Inter-Agency Council on Housing and Homelessness grant, is very focused on prevention and diversion efforts across the four (4) counties of Western Massachusetts. The Tenancy Preservation Program, special federal funding such as the Homelessness Prevention and Rapid Re-housing Program (HPRP), tenant and landlord mediation, and the State's RAFT Program⁵⁹ that provides assistance for families are highly effective programs that work to preserve housing for at-risk populations. Other resources to prevent homelessness include some rental assistance funding from the Unitarian Church, special private funds raised through the Friends of the Homeless, support from the Salvation Army, as well as counseling from the Housing Consumer Education Centers, such as the one based in Springfield through HAPHousing.

⁵⁹ While still a program "on the books", the RAFT Program did not receive any appreciable funding in FY 2010.

Next Steps: The City will advocate for state funding to support the Tenancy Preservation Program. The expansion from Hampden to Hampshire and Franklin counties and then statewide, indicates the success of the model program and it needs to be sustained. The City will advocate, through the Three County Continuum of Care and Regional Network, for the continuation of the federal HPRP funds. Now that the federal stimulus funds have come to an end, those families that have been able to secure and maintain housing through these programs are cycling back into homelessness. Additionally, there will be a push to ensure the funds are flexible to accommodate different household needs across the region. Cash assistance for rental arrearages is a critical component to a homelessness prevention effort. The City supports the regional goal of providing the “right resources at the right time”.

Resources Required: In the next year the City will allocate **CDBG** funding to the following programs engaged in homelessness prevention:

- Massachusetts Fair Housing Center for activities that affirmatively further fair housing. An annual scope of services will be devised to remove barriers to finding and maintaining affordable housing.
- Valley CDC’s Homeownership Counseling Program which assists housed families with financial literacy and budgeting skills.
- Survival Center and MANNA Soup Kitchen to ensure needy residents have food options if they are faced with the challenge of paying their housing costs vs. eating.
- Casa Latina and the Center for New Americans to provide information and outreach to marginalized populations that may have economic, cultural and language challenges.
- SRO Outreach Program for the coordinator to provide service linkages to the residents of SRO’s which may facilitate their ability to maintain their housing.
- Council on Aging Home Repair Program to accomplish handicap accessibility and home improvements that may permit a person to remain in their home longer with an improved quality of life.

Through its’ administration of federal **McKinney** funding for the Three County Continuum, the City will support existing and new projects that enhance self-sufficiency and life skills necessary to maintain and stabilize housing. **Community Preservation Act** funding will be utilized for eligible projects that create suitable and affordable housing opportunities for local residents and enhance self-sufficiency. WMNEH will also continue to be an important resource for this work.

5.6.4 Support Housing First Efforts

Timeframe: Years 1-2

Responsible Party: Housing Partnership

Current Status: Homelessness prevention is the most cost-effective response to those who are at-risk of homelessness. However, when losing ones home cannot be avoided, the next best response is a “rapid rehouse” approach of moving households into housing. The Housing First model of moving homeless individuals and families into permanent affordable housing with supportive services is an extremely effective approach for stabilizing those confronted with chronic homelessness. It is in fact far less costly than the alternative of providing emergency services if homelessness continues.



Photo courtesy of ServiceNet, Inc. **Yvonne's House**

Progress has in fact already been made in Northampton with the development of Yvonne's House made possible by CPA funding and private fundraising. As a result of seeing some of the same individuals cycle in and out of the winter emergency shelter year after year, Yvonne Freccero, Chair of the Board of the Friends of Hampshire County Homeless launched the project. The Board purchased an existing duplex in a residential neighborhood, and men and women, some homeless for years, are now living independently. Service Net, Inc., an area mental health agency with a shelter and housing division, provides case management support. Program operations have been so successful that the Friends submitted a second request to the Community Preservation Committee in the fall 2010 funding round to create a second home in the community. Funding has been received and a second home was purchased in April 2011. The duplex is currently being renovated and will house six (6) formerly homeless adults committed to sober living.

Next Steps: The City needs to continue to work with developers and service providers to produce deeply subsidized permanent housing units for both homeless individuals and families that include wrap-around supportive services (e.g., case management, health and mental health care, drug and alcohol counseling, job counseling and placement, life skills classes, financial literacy training, parent classes, children's program and support groups, etc.). Strategy 5.3.1, which focuses on alternative housing types to meet diverse needs, provides some examples of housing types that are particularly responsive to the needs of the chronically homeless such as congregate settings.

Springfield has led the way with Housing First Pilot projects for individuals and has reduced the numbers of unsheltered chronic homeless in that city. One of the major goals of the Pioneer Valley 10 Year Plan to End Homelessness is to have several more cities and towns institute Housing First Programs.

Resources Required: In the annual McKinney applications, HUD provides bonus funding for permanent supportive housing projects. There is an opportunity to craft local Housing First programs to access this funding. Local CDBG and Community Preservation Act funding will also continue to be possible

resources. The challenge is finding deep subsidies through the federal or state government. Yvonne's House has secured some rental subsidies, but most residents are able to pay rent with their incomes, which makes program operation possible without property debt. WMNEH will also continue to be an important resource for this work.

5.6.5 Work on Economic Development and Poverty Issues

Timeframe: Years 1-2

Responsible Party: Housing Partnership

Current Status: As the *All Roads Lead Home* plan indicates, "Homelessness is a surprisingly frequent occurrence for people living in poverty."⁶⁰ The plan further states, "The causes of homelessness are complex, and include both societal factors – such as housing costs that have outpaced income growth and the loss of manufacturing jobs – and individual factors. At the individual level, the causes of homelessness are most often associated with poverty and disability".⁶¹

While this Housing Plan focuses on housing-related solutions to ending homelessness, it also recognizes that the City must also address the other roots of homelessness, especially the need for jobs, education and training. The Sustainable Northampton Plan identifies the following goals and strategies to address economic development, education, and social equity:

- Encourage business development for job creation and retention, and living wages that support the cost of living in the City.
- Reinvigorate the manufacturing base and actively seek resources for workplace language and skills training in the workplace.
- Provide entrepreneurial training and startup business assistance, especially for low-income and limited English-speaking residents.
- Address ESL, literacy, adult basic education, and social equity needs of the workforce.
- Support job creation, job training and career ladder opportunities for youth, unemployed, under-employed, under-educated, and limited English speakers.
- Ensure quality education and academic achievement for all segments of the community via providing a continuum of educational options and seek collaborations to increase access to higher education and career/education ladders, providing programs for dual language learners, reducing the achievement gap for at risk students, and increase support for dropout prevention programs.
- Invest in all segments of the community to retain a population with diverse demographic and income levels via improved affordable housing, outreach to marginalized populations to ensure all feel welcome in the City, ensure safe and equitable workplaces and housing for all workers including undocumented workers, and promote an environment of tolerance, diversity, and fairness in public schools so all children and families feel valued.

Next Steps: Continue to support service programs to assist low-income residents in achieving success in education and careers including the James House Community Learning Center's adult basic education, Community Action's Individual Development Account (IDA) Program

⁶⁰ *All Roads Lead Home: The Pioneer Valley's Plan to End Homelessness*, supported by the cities of Holyoke, Northampton and Springfield, MA and funding from One Family, Inc., February 2008, page 3.

⁶¹ Ibid.

(CommonCents), English language programs (ESOL), job training programs, college transition resources, etc. Collaborate with CEDO, the School Department, other municipal departments, and community organizations to assist in implementation of the Sustainable Northampton strategies.

Resources Required: Staff support from the Office of Community and Economic Development, School Department as well as CDBG and other funding.

6. AFFORDABLE HOUSING PRODUCTION GOALS

This Housing Plan is prepared according to the requirements of the state's Housing Production Program should the City decide to submit it to the Massachusetts Department of Housing and Community Development (DHCD) for approval under those guidelines. Many communities that have less than 10% of their housing stocks defined as affordable by the state have opted to participate in the Housing Production Program. This allows them to not only prepare a plan that addresses their specific housing needs, but to also potentially be in a position to deny unwanted comprehensive permit projects should the municipality be able to meet annual production goals.

The state introduced the Planned Production Program in December 2002, a forerunner to Housing Production, in accordance with regulations that were meant to provide municipalities with this greater local control over housing development. Under the Program, cities and towns had the option of preparing and adopting a Housing Plan that demonstrated the production of an increase of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.⁶² If DHCD certified that the locality had complied with its annual goals or that it had met two-year goals, the municipality could, through its Zoning Board of Appeals, potentially deny what it considered inappropriate comprehensive permit applications for one or two-years, respectively.⁶³

Changes to Chapter 40B established some new rules for this Program.⁶⁴ For example, Planned Production Plans are now referred to as Housing Production Plans. Moreover, annual goals changed from 0.75% of the community's year-round housing stock to 0.50%, meaning that Northampton would now have to produce at least 61 affordable units annually to meet annual production goals, still a daunting challenge. Moreover, this goal is likely to increase to about 63 units⁶⁵ after the next decennial census count for year-round units becomes available and future housing growth will continue to drive-up the 10% goal as well as annual production goals.⁶⁶

⁶² Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

⁶³ If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

⁶⁴ Massachusetts General Law Chapter 40B, 760 CMR 56.00.

⁶⁵ This is calculated by applying the same level of seasonal or occasional units in 2000 (1% or 128 units) to the number of total housing units in 2010 of 12,728 units (based on 2010 Census Redistricting data), then subtracting 128 units from 12,728 and then taking .5% of that amount (12,728-128 units = 12,600 x 0.5% or 63 units).

⁶⁶ In a rental development, if at least 25% of units are to be occupied by Income Eligible Households earning 80% or less than the area median income, or alternatively, if at least 20% of units are to be occupied by households earning 50% or less of area median income, and meet all criteria outlined in Section 2.2, then all of the units in the rental development shall be eligible for inclusion on the SHI. In determining the number of units required to satisfy either percentage threshold, fractional numbers shall be rounded up to the nearest whole number (e.g.: in a 51 units development, one would restrict 13 units in order to meet the 25% standard.)

Because Northampton already has more than 10% of its year-round housing defined as affordable under state guidelines and has been more than open to work with developers on Chapter 40B comprehensive permits, the incentives for participating in Housing Production are significantly less compelling. Nevertheless, having such a Housing Production Plan in place could provide a number of benefits to the City including:

- While Northampton has more than 10% of its housing defined as affordable, the City will be losing affordable units from its Subsidized Housing Inventory, potentially coming very close or even under the 10% threshold. Meeting annual production goals might offer some interim protection from inappropriate 40B developments until the City can produce sufficient units to go beyond the 10% level.
- While Northampton has a very high score under the state's Commonwealth Capital Program, and is thus more competitive for a wide range of state discretionary funding, the completion and approval of a Housing Production Plan and any "certification" of this Plan (meeting the annual production goal) will significantly increase the City's score.
- The Plan will assist the City in making funding decisions for affordable housing including CDBG funds, CPA funding and any potential funding from the Affordable Housing Trust (see strategy 5.1.2).
- The Plan will serve as a local resource on a wide range of housing issues including demographic and housing characteristics and trends, existing and proposed affordable units, priority needs, available resources, current and proposed initiatives, etc. that provides a blueprint for the City's housing agenda.
- The Plan establishes a framework and accountability for the implementation of the strategies as information is provided on next steps towards implementation, what entity or entities are responsible and what resources are required.
- The Plan will help the City and developers obtain grant and loan funds for affordable housing, particularly the back-up documentation in the Housing Needs Assessment.
- The Plan represents an updated and comprehensive compilation of the housing components of various City planning documents including the Sustainable Northampton Comprehensive Plan, the HUD Consolidated Plan, Grow Smart Northampton, All Roads Lead Home, the Pioneer Valley Plan to End Homelessness, the Community Preservation Plan, the Northampton Community Indicator Report, etc.

Using the strategies summarized under Section 5 and priority needs established in Section 3.3, the City of Northampton has developed a Housing Production Program to chart affordable housing activity over the next five (5) years. The projected goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year. Moreover, given the existing and planned pipeline of affordable housing projects through the City's local and regional developers, it is unlikely that production goals can be achieved within the first couple years. However, given progress in the next couple of years, it is projected that the City might be in a position to achieve housing certification later in the Five-Year period.

The production goals are based largely on the following criteria:

- At a minimum, at least fifty percent (50%) of the units that are developed on publicly-owned parcels should be affordable to households earning at or below 80% of area median income – the **affordable units** – and at least another 10% affordable to those earning up to 120% of area

median income – **moderate-income “workforce” units** – depending on project feasibility. The rental projects will also target some households earning at or below 60% of area median income and lower based on priority housing needs of providing rental housing for very low-income individuals and families. It should also be noted that the City can provide CPA assistance to subsidize units for those earning up to 100% of area median income, commonly referred to as **“community housing” units**, however these units cannot be counted as part of the Subsidized Housing Inventory.

- Projections are based on no fewer than eight (8) units per acre. However, given specific site conditions and financial feasibility it may be appropriate to decrease or increase density as long as projects are in compliance with state Title V and wetlands regulations.
- Because housing strategies include development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or even potentially the “friendly” comprehensive permit process. The City will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability to the greatest extent feasible, potentially infusing funding from CDBG, CPA, or a newly capitalized Affordable Housing Trust Fund where appropriate.
- The projections involve a mix of rental and ownership opportunities that reflect the priority housing needs in the Housing Needs Assessment (see Section 3.3). The City will work with developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals with special needs to offer a wide range of housing options for residents.

The strategies also reflect state Housing Production requirements that ask communities to address all of the following major categories of strategies to the greatest extent applicable:⁶⁷

Identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purposes of creating affordable housing developments to meet its housing production goal;

- Adopt inclusionary zoning (strategy 5.2.1)
- Ease restrictions on development near city and village centers (strategy 5.2.2)
- Promote mixed-use development in more locations (strategy 5.2.3)
- Establish a new mixed-use innovation zone (strategy 5.2.9)

Identification of specific sites for which the municipality will encourage the filing of comprehensive permit projects;

- Make suitable public property available for affordable housing (strategy 5.3.4)
 - As mentioned above, the City has been interested in working with developers of comprehensive permit projects. It has also used this process on its “limited development projects”⁶⁸ despite being beyond the 10% affordability threshold.
- See Table 6-1

Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality;

- Ease restrictions on development near city and village centers (strategy 5.2.2)

⁶⁷ Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

⁶⁸ Projects where the City acquired property for some amount of affordable housing.

- Revise cluster zoning provisions (strategy 5.2.4)
- Modify accessory apartment requirements (strategy 5.2.5)
- Continue to pursue nontraditional housing models (strategy 5.3.1)

Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing.

- Make suitable public property available for affordable housing (strategy 5.3.4)

Participation in regional collaborations addressing housing development

- Continue to facilitate and support the Three County Continuum of Care (strategy 5.6.1)
- Continue to participate in the Western Massachusetts Network to End Homelessness (strategy 5.6.2)

**Table 6-1
Year One to Five (2011 to 2015)**

Strategies by Year**	Affordable Units< 80% AMI	Workforce Units 80%-120% AMI or ineligible for SHI	Total # units*
Year 1 – 2011			
5.3.1/King Street SRO/Valley CDC/rental	10	0	10
5.3.2 and 5.3.4/Verona-Garfield Habitat for Humanity/homeownership	1	0	1
5.3.1/Yvonne's House #2/sober rental housing	6	0	6
5.2.5/Accessory apartments/rentals	0	4	0
Nothing else pending			
<i>Subtotal</i>	<i>17</i>	<i>4</i>	<i>17</i>
Year 2 – 2012			
5.3.1/Soldier On -- Leeds Veteran Village/ sober rentals	25	0	25
5.3.1 and 5.3.4/DDS housing/NHA/ special needs rental	10	0	10
5.3.2 and 5.3.4/Verona-Garfield Habitat for Humanity/homeownership	2	0	2
5.4.2/Convert existing housing to affordability/homeownership	4	0	4
5.2.1/Inclusionary zoning /homeownership	4	0	25
5.2.5/Accessory apartments/rentals	0	4	0
5.5.1/Housing rehab program	0	6	0
5.2.4/Private development through revised cluster zoning with additional subsidy to increase affordability/ homeownership	15	4	40
<i>Subtotal</i>	<i>60</i>	<i>14</i>	<i>106</i>
Year 3 – 2013			
5.3.1/Mixed-use development/rentals	4	0	16
5.4.2/Convert existing housing to affordability/homeownership	4	0	4
5.3.4/City-owned property development /Oak Street/rentals through "friendly" 40B	25	5	25
5.3.2/Infill housing/Habitat for Humanity/ homeownership	4	0	4
5.3.1/SRO housing/Valley CDC/rental	20	0	20
5.5.1/Housing rehab program	0	6	0
5.2.1/Private development through inclusionary zoning with additional subsidy through CPA/homeownership	10	3	30
<i>Subtotal</i>	<i>67</i>	<i>14</i>	<i>99</i>
Year 4 – 2014			
5.3.4/Laurel Street/NHA/homeownership	12	0	12
5.3.1/Group home/special needs rental	4	0	4

5.4.2/Convert existing housing to affordability/homeownership	4	0	4
5.2.5/Accessory apartments/rentals	0	4	0
5.3.1/Yvonne's House #3/sober rental housing	6	0	6
5.5.1/Housing rehab program	0	6	0
5.3.1/Bungalow or cottage-style housing/homeownership through "friendly" 40B with CPA funds to increase affordability	10	3	30
5.3.1/Artist live/work development/ownership	10	3	25
5.3.1/Adaptive reuse/rental	20	2	20
<i>Subtotal</i>	<i>66</i>	<i>18</i>	<i>107</i>
Year 5 – 2015			
5.3.1/Soldier On – Veteran Permanent Housing – Leeds Campus/limited equity cooperative units	60	0	60
5.4.2/Convert existing housing to affordability/homeownership	4	0	4
5.2.5/Accessory apartments/rentals	0	4	0
5.5.1/Housing rehab program	0	6	0
<i>Subtotal</i>	<i>64</i>	<i>10</i>	<i>64</i>
Total	274	60	387

* The totals include market rate units in addition to the affordable and workforce units.

** Number refers to subsection of Section 5 of this Housing Plan on specific housing strategies.

APPENDIX 1

Summary of Demographic and Housing Characteristics for CDBG Eligible Census Blocks

The following table summarizes key demographic and housing data by those six (6) census blocks that are determined by HUD to be “impacted”, as having more than half of their population at or below 80% of area median income, and therefore eligible to receive CDBG funding. These areas have been housing the largest concentrations of Northampton’s most vulnerable residents, those who are having the greatest difficulty in finding safe, decent and affordable housing and are most vulnerable to homelessness.

Demographic and Housing Characteristics for CDBG Eligible Census Blocks, 2000

Characteristics	8216011	8216025	8217003	8219022	8219023	8219024	8220001
Demographic Characteristics							
Total population	1,805	1,446	308	1,909	1,825	1,211	2,150
% less than 18 years	25.4%	21.4%	6.2%	8.8%	12.2%	9.6%	2.1%
% 18 and 19 years	2.8%	2.8%	1.0%	1.7%	1.2%	1.6%	38.1%
% 20 to 34 years	25.3%	16.7%	3.6%	45.0%	47.5%	45.2%	52.7%
% 35 to 44 years	16.5%	22.3%	14.6%	14.8%	17.3%	15.5%	2.8%
% 45 to 54 years	14.4%	15.0%	35.7%	12.5%	14.9%	12.8%	2.1%
% 55 to 64 years	6.2%	7.8%	11.4%	5.6%	7.6%	6.3%	0.9%
% 65 years or more	9.4%	14.4%	27.6%	10.6%	16.2%	9.8%	0.6%
Median age (years)	32.7	39.5	52.5	32.2	38.3	32.5	20.5
% non-family households	46.6%	32.5%	*	77.6%	72.3%	78.3%	67.5%
Average household size (persons)	2.28	2.07	*	1.76	1.71	1.67	1.60
Median income	\$32,348	\$30,526	*	\$31,667	\$29,952	\$26,902	\$29,732
% individuals in poverty	23.4%	13.4%	*	21.7%	\$13.2%	18.7%	16.6%
% earning less than \$25,000	41.5%	42.1%	*	42.2%	38.7%	47.4%	39.5%
% earning more than \$100,000	9.5%	6.4%	*	5.4%	4.5%	8.5%	14.0%
Housing Characteristics							
Total housing units	864	714	5	1,120	1,111	735	178
% occupied housing	91.3%	96.7%	*	93.2%	96.3%	95.2%	94.9%
% owner-occupied	31.9%	51.2%	*	20.3%	26.0%	14.3%	8.3%
% renter-occupied	68.1%	48.8%	*	79.7%	74.0%	85.7%	91.7%
% in single-family, detached structures	22.0%	33.0%	*	10.5%	15.0%	7.4%	20.0
Median sales price	\$143,500	\$134,200	*	\$148,400	\$129,600	\$221,300	\$144,200

Source: Data for the above table is derived from the 2000 census; no sources of updated data by census block. * Not applicable as 97.4% of population living in this block group resides at the Leeds Veterans Hospital. ** 87% of residents in area were Smith College students, and the information included in most of the categories, except those related to age, reflect remaining 280 residents.

A map of these census blocks is included on page 133, but in general the tracts lie in and near the downtown area with the following somewhat irregular boundaries, as noted below, with an accompanying summary of area demographic and housing data:

- *Census Block #8216011*
Location: In the north King Street area in and around Barrett Street and Damon Road, West of King Street and east of Jackson Street.
Summary Description: This area has a significantly higher population of children, 25.4% as opposed to 17% for Northampton as a whole, which is also much higher than a number of the other census blocks. Conversely its proportion of seniors over 65 was relatively small, 9.4% versus 13.8% for Northampton and even lower than the other blocks. Correlated to the higher levels of children is a higher household size and lower median age. Median income is well below the City's as a whole, similar to the other census blocks, \$32,348 versus \$41,808. Particularly noteworthy is the poverty level for this block – 23.4% as opposed to 9.8% for the City. Also those earning less than \$25,000 was 41.5%, further confirming the higher concentration of lower income households. There were also more housing vacancies in this area and more than two-thirds of the housing stock was renter-occupied, much higher than the 46.5% level for the City. Only 22% of the units were single-family detached units, less than half the amount for the City, confirming a higher housing density in this area.
- *Census Block #8216025*
Location: Bounded by Bridge Street to the north, North Elm to the east, and North Main to the west in Florence.
Summary Description: This census block also had more children, 21.4% of the population as opposed to 17% for the City, fewer young adults who represented 16.7% of all residents versus 24.4% for the City, but more middle-aged residents with 22.3% at 35 to 44 than Northampton as a whole at 15.8%. The block had 13.4% living in poverty with 42.1% with incomes of less than \$25,000, clear signals of a lower income population. The balance of rental to owner-occupied property was almost half and half, but the percentage of units in single-family dwellings was only one-third, suggesting some owner-occupied multi-family properties and condos.
- *Census Block #8217003*
Location: Leeds Veterans Administration Hospital
Summary Description: This census block primarily involves residents at the Leeds Veterans Hospital.
- *Census Block #8219022*
Location: Core of the downtown area west of Williams, above Main and Pleasant, and east of King and Bedford Terrace.
Summary Description: Children comprised only 8.8% of all residents, but were 17% citywide. Particularly noteworthy was that those 20 to 34 years of age represented 45% of the population, substantially higher than the citywide level of 24.4%, suggesting that younger people were attracted to the downtown, likely also including students. *All Roads Lead Home*, the Pioneer Valley's Plan to end homelessness, indicated that Northampton appeared to be a particular

draw for homeless youth.⁶⁹ More than three-quarters of the households involved non-family households, related to an average household size of only 1.76 persons. The median age was relatively low at 32.2 years, also reflective of the predominance of young adults. Almost 80% of the housing stock was renter-occupied with only 10.5% in single-family detached homes. Many of the rental ads summarized in Section 3.2.4 were in fact in this area, targeted to students or young professionals. Nevertheless, poverty was high, at 21.7%, as was the level of those earning less than \$25,000, at 42.2%.

- *Census Block #8219023*

Location: Lower part of the downtown with boundaries including Dike Road, East Street, Olive Street, South Street, Old South Street, Conz Street, Hampton Avenue and Pleasant Street.

Summary Description: This area, also right in the downtown, shares a great deal of characteristics with Block 8219022 above, although it has a higher level of children, 12.2%, and much higher level of seniors, 16.2%, likely correlated to the amount of subsidized housing for seniors in the area. It is therefore not surprising to see a higher median age of 38.3 years as well. It also had a high level of those 21 to 34 (47.5%), higher percentage of non-family households (72.3%), small average household size (1.71 persons), high level of rentals (74%), and small level of single-family homes (15%). The poverty level was somewhat lower at 13.2%, but still higher than the City as a whole. Households earning less than \$25,000 were also higher than the City's at 38.7% versus 28.2%.

- *Census Block #8219024*

Location: North of South Street and south of Main, Green and the Mill River and the area east of where Burts Pit Road begins on the former Northampton State Hospital site.

Summary Description: The profile of this census tract is also quite similar to that of Block 8219022 given the distribution of ages, high level of non-family households, but it had an even higher level of rental units, at 85.7%, and fewer single-family homes, only 7.4% of the housing stock. The median household income was the lowest among the census blocks examined, \$26,902, and those earning less than \$25,000 was the highest at 47.4%.

- *Census Block #8220001*

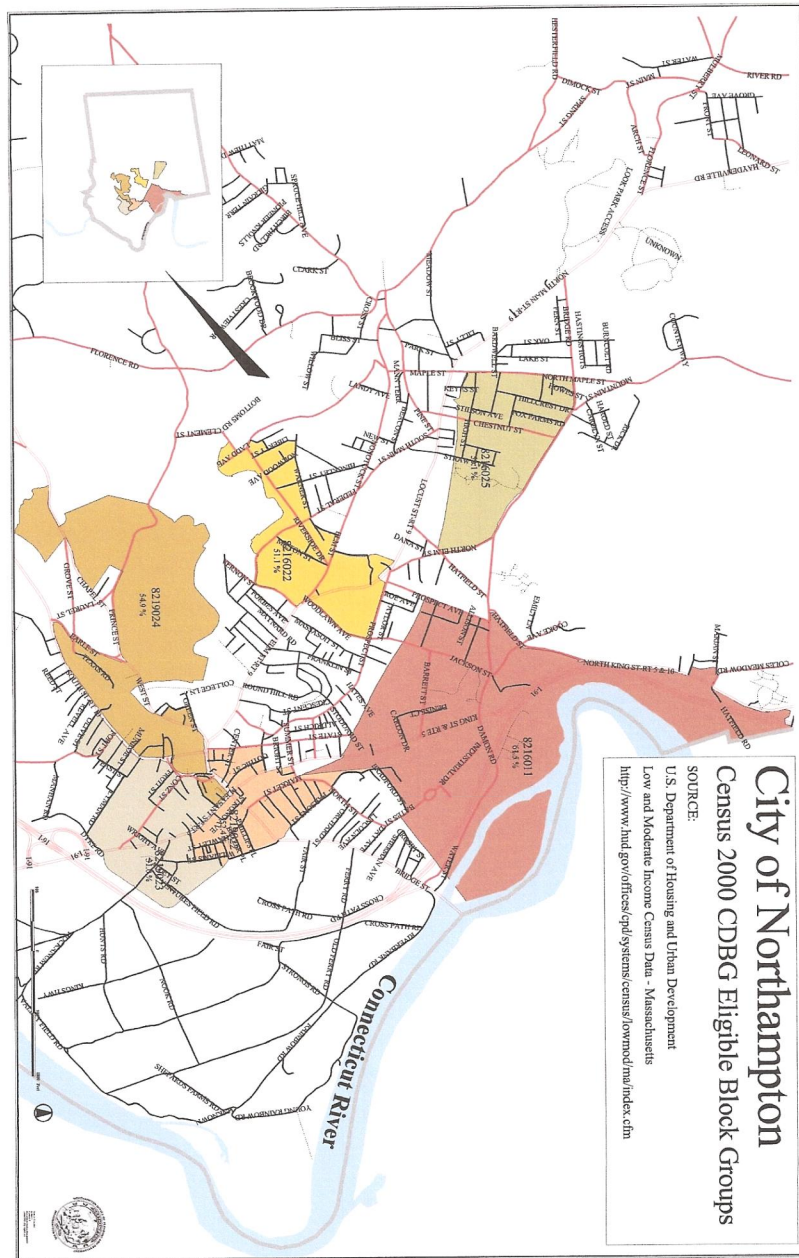
Location: Area west of State Street, Green Street and West Street, north of Mill River, East of Kensington Avenue, and South of Elm Street, including the area bounded by Prospect Street and Trumbull Road.

Summary Description: This census block primarily involves residents at Smith College, who comprise 87% of all the residents in this block group. The remaining 280 residents tend to be largely renters. There were only 20 owner-occupied housing units in the area.

There is clearly a great deal of variation among these census blocks as levels of children ranged from 8.8% to 25.4% of all residents, average household size varied from 1.67 persons to 2.28, those earning under \$25,000 ranged from 26.6% to 47.4%, and the portion of the rental housing stock was as low as 39.3% to almost 80%. Nevertheless, all of these areas, with the exception of Block 8216022, included higher levels of rental units, and more non-family households and

⁶⁹ "All Roads Lead Home: The Pioneer Valley's Plan to End Homelessness", supported by the cities of Holyoke, Northampton and Springfield, MA, and funding from One Family, Inc. for the Pioneer Valley Committee to End Homelessness (PVCEH), February 2008.

lower income households. The census tracts were located in or near the downtown, where there is greater housing density, more subsidized housing, and a greater concentration of poverty.



APPENDIX 2

Local and Regional Organizations/Resources

Northampton is fortunate to have a number of important resources including City government, local non-profit organizations and regional entities that have made substantial contributions to the promotion of affordable housing in Northampton including:

City Government

- *Community and Economic Development Office (CEDO):*
CEDO is responsible for developing and managing community and economic development policies, plans, and programs. The mission of the department is to foster economic vitality, equity and opportunity; enhance housing opportunities, affordability, and fairness; and to build community, support public services, and improve public infrastructure. CEDO responsibilities are as follows:
 1. Administration of the Community Development Block Grant (CDBG) program, which provides funding for public services, housing, economic development, and public infrastructure, programs as well as preparation of the 5-year Consolidated Plan and Annual Action Plans.
 2. Serves as the Lead Agent for the Three County Continuum of Care regional collaboration and administers federal McKinney funding. Participated in the creation of *All Roads Lead Home*, the region's 10-year plan to end homelessness and provides staff support to the Northampton Housing Partnership.
 3. Administers Economic Development programs including workforce development, business assistance and development, incentives, site selection, brownfields cleanup and redevelopment, marketing, commercial/industrial/mixed-use site development, and staff support to the Redevelopment Authority.Contact Info: City Hall, 210 Main Street, Northampton, MA 01060, 413-587-1286, www.northamptonma.gov/cedo
- *Office of Planning and Development (OPD):*
OPD is responsible for strategic and long-range planning and provides permitting and regulatory oversight of land use development in the City. OPD is responsible for the following:
 1. Comprehensive and strategic planning to guide growth and development, conserve natural and built resources, provide for multi-modal transportation and open space protection.
 2. Development and implementation of comprehensive plans, study plans, the Sustainable Northampton Comprehensive Plan and the Open Space and Recreation Plan. This includes plans and multi-purpose limited development projects that include housing in a range of affordability.
 3. Historic Preservation programs.
 4. Staff support to the Planning Board, Zoning Board of Appeals, Conservation Commission, Historic Commission, Central Business Architecture, Agricultural

Commission, and Community Preservation Committee, including writing and implementing regulations and permits that encourage a range of affordable housing types.

5. Geographic Information Systems (GIS) and database development to support planning information needs.

Contact Info: 210 Main Street; 413/587-1266

- *Northampton Housing Partnership*

The Northampton Housing Partnership (NHP) was established in 1991 to help articulate the City's housing needs and assist in the preservation and promotion of affordable housing.⁷⁰ The Housing Partnership is overseeing the preparation of this Housing Needs Assessment and Strategic Housing Plan, and is thus continuing to pursue their mission to identify the range of local housing needs and find solutions to address them. The Partnership includes up to 15 members who are appointed by the Mayor, subject to confirmation by the City Council.

Contact Info: CEDO. 210 Main Street; 413/587-1288

- *Northampton Affordable Housing Trust*

The Northampton Affordable Housing Trust was created in 1998 by local ordinance in connection with the expiring use at Hampton Gardens (now Hathaway Farms) to oversee public and private funds used to subsidize low- and moderate-income housing units as they gradually transitioned to market rate. The Trust was created for the following purposes:

1. For the acquisition, renovation, construction, financing or refinancing of real property in Northampton for low- and moderate-income residents.
2. For rental subsidies and loans and/or guarantees to make housing more affordable (first and/or last month's rent, security deposits, mortgage payments, utility or other expenses that threaten a household's ability to remain in their unit).
3. For temporary consulting services that allow the City to provide or preserve affordable housing.

The Mayor is designated in the Ordinance as a member of the Trust and the remaining four (4) Trustees are appointed by the Mayor, subject to confirmation by the City Council, and must include two (2) members of the Housing Partnership. Despite the exhaustion of funds being directed to assisting Hathaway Farms families, the Fund itself will continue to exist. Due to the generic nature of its statutory design, if new resources are found, the Fund can continue to operate and assist new projects and efforts.

Contact Info: CEDO. 210 Main Street; 413/587-1288

⁷⁰ The ordinance to establish the Housing Partnership was adopted on November, 21, 1991, and amended in 1996 with the following purpose: "To articulate the short- and long-term housing needs of the Northampton community, as part of the larger region, and, with the support of City Government and the community, to advocate and accomplish their resolution; to help educate the community about the full range of housing needs, actively encouraging citizens, government, institutions, business and civic leaders, and the housing industry to participate in their solution; and to assist in the preservation and development of the low- and moderate-income housing stock".

- *Northampton Community Preservation Committee*
In September of 2000, the Community Preservation Act (CPA) was enacted to provide Massachusetts cities and towns with another tool to conserve open space, preserve historic properties and provide affordable housing. This enabling statute established the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of up to 3% of the property tax with a corresponding state match of up to 100% funded through new fees at the Registry of Deeds and Land Court. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of the three categories (open space, historic preservation and affordable housing), allowing flexibility in distributing the majority of the money to any of the three uses as determined by the community. The Act further requires that a Community Preservation Committee of five to nine members be established, representing various boards or committees in the community, to recommend to the legislative body, in this case City Council, how to spend the Community Preservation Fund.

In November 2005, Northampton residents voted by ballot referendum to adopt the Community Preservation Act. A Community Preservation Committee (CPC) was formed in 2007. The CPC has nine (9) members including representatives of the Housing Authority, Conservation Commission, Historical Commission, Planning Board, Recreation Commission, appointments of both the Mayor and City Council, and two elected representatives, each appointed for three-year terms. In its first year of operation (in 2007) the surcharge raised \$702,467, which was matched 100% by the state. The state match has been reduced since then, largely the result of the depressed housing market. The fees from the Registry of Deeds are the main source of the state's match. In FY09 Northampton is projected to raise \$767,021 in its property tax surcharge and receive \$338,552 from the state, representing a 44.4% match.

Contact Info: OPD. 210 Main Street; 413/587-1263

- *Three County Continuum of Care*
The Three County Continuum of Care is designated as the regional entity to provide a continuum of support from emergency shelters to transitional housing and ultimately to permanent housing serving those exiting homelessness. The Continuum of Care is staffed by Northampton's Community and Economic Development Office and includes representatives from all of the major housing service providers in the three-county area. Over \$1.3 million in HUD McKinney funding was provided to the Continuum in FY10 to fund a wide range of programs and services.

Contact Info: CEDO. 210 Main Street; 413/587-1288

Local Agencies and Organizations

- *Northampton Housing Authority*
The Northampton Housing Authority (NHA) is a quasi-public agency that was established in 1946 to produce housing that is affordable to low- and moderate-income residents. The NHA manages 618 units in 13 separate developments, including units for seniors, families, and those with special needs. The Housing Authority also manages more than 300 rental subsidies/vouchers that enable those who are priced out of the housing market to rent housing in privately-owned units, paying only a specified portion of their income on housing costs. For more information on NHA, see Section 3.2.6.
Contact Info: 49 Old South Street; 413/584-4030

- *Valley CDC*

The Valley CDC is a non-profit organization that was established in 1988 by Casa Latina, to address the growing shortage of affordable housing and the shrinkage of job numbers in the Pioneer Valley. The CDC provides services to Easthampton, Amherst and Hadley, in addition to Northampton. The goals of the organization are to develop and preserve housing for low- and moderate-income individuals and families; to offer counseling regarding homeownership and financial stability, including foreclosure prevention; and to educate and support people seeking to start or sustain their own business.

Thus far the organization has developed more than 160 units of housing, including 93 completed rental units in Northampton, four (4) homeownership units. Ten (10) Enhanced SRO units are in the process of development, and an existing 11-unit SRO will be rehabilitated. For more information on these projects, see Section 3.2.6.

In regard to counseling services, the Valley CDC provides monthly homebuyer classes that typically reach their 40-person capacity. Those who attend these classes come largely from Hampshire County. Financial support for these classes comes from banks and registration fees. The CDC has also been providing foreclosure prevention counseling that has been supported by CPA funding as well as small grants from the state's Department of Banks and the Community Foundation of Western Massachusetts (CFWM). Of a total 211 persons who received counseling services from the CDC last year, 101 were at risk of foreclosure with another 47 were first-time homebuyers.⁷¹ The Homeownership Director noted that the CDC was able to effectively intervene and resolve many of the problems related to potential foreclosure by pressing for refinancing or loan modifications.

With support from Florence Savings Bank, they have been able to continue a small financial literacy program, providing a couple of classes per year. Last year they had 26 participants, up from about half that amount the previous year. The organization has also offered post-purchase counseling on a one-to-one basis. Many of the inquiries involved needs related to home repairs and budgeting. The CDC typically refers homeowners to state home improvement programs as the City's housing rehab program was discontinued this past year. The Council on Aging still offers an Elder Home Repair Program to its clients.⁷²

Contact Info: Valley CDC, 30 Market Street; 413/586-5855

Northampton Council on Aging, 413-587-1228

- *Casa Latina*

Casa Latina is an educational and cultural center that was established more than 38 years ago to represent, celebrate, and advocate for the Latino community. The organization provides services throughout Hampshire County including information and referrals to programs and services related to health care, housing, employment opportunities, adult education, child care resources, legal services, transportation resources, public assistance offices, food pantries, domestic violence support, and

⁷¹ Not all wanted to buy but were interested in credit counseling.

⁷² It should be noted that counseling services are also offered at Jessie's House and Grace House to women with children in the shelter system with typically devastated credit and limited job skills.

immigration resources. They also train and support a network of community medical interpreters who help local hospitals, clinics, and private practitioners provide culturally- and linguistically-competent care to Spanish-speaking patients. A hallmark of their services has been the empowerment of the local Latino community through group facilitation and education that promotes positive social change. Casa Latina was instrumental in founding the Valley CDC.

Contact Info: 140 Pine Street in Florence; 413/586-1569

- *ServiceNet, Inc.*
ServiceNet, Inc. is a private non-profit organization whose mission is to enhance the quality of life for people in need, through the provision of effective and responsive clinical, residential and rehabilitative services. They operate throughout the Pioneer Valley, providing services that include outpatient behavioral health services; adolescent support programs; an employee assistance program; early intervention for young children; home health care; rehabilitation and residential programs for those with mental health issues, developmental disabilities or head injuries; and shelter and housing services for the homeless. They provide services in a number of housing shelters and developments including the Florence Inn, Grove Street Inn, the Hampshire Inter-Faith Cot Program, and the homeless drop-in center.
Contact Info: 129 King Street; 413/585-1300
- *Soldier On*
Soldier On is a non-profit organization that has been assisting homeless veterans since 1994, getting them off the streets into shelter and permanent housing, including a range of services such as meals, health care, food and clothing, substance abuse aftercare and mental health counseling. They operate an emergency shelter and transitional and permanent housing for veterans who are transitioning from homelessness on the VA campus in Leeds. They are also in the process of developing a limited equity housing project, Leeds Veterans Village, modeled on their successful development in Pittsfield at Berkshire Veterans Village.
Contact Info: 421 North Main Street in Leeds; 413/582-3059
- *Community Action*
Community Action is the region's largest anti-poverty agency and social service provider, serving 25,000 people each year in Franklin and Hampshire Counties and the North Quabbin Region. The non-profit organization was founded in 1965 and has grown throughout the years, now providing 40 programs and serving 30 separate locations. These programs range from food pantries, to fuel assistance, child care, financial literacy and first-time homebuyer courses, among many more. The organization also provides a program to help owners weatherize their homes.
Contact Info: 56 Vernon Street; 413/582-4230
- *Safe Passage, Inc.*
Since 1977, Safe Passage has provided nonjudgmental support and services to survivors of domestic violence. Services are free of charge, confidential and accessible to those with disabilities. They are also available in English, Spanish and other languages. The organization can house up to six (6) families at a time and besides transitional housing,

support services for women and their children including a hotline, individual counseling and advocacy, and support groups.

Contact Info: 43 Center Street, Suite 304; 413/586-1125

- *Tenancy Preservation Project*

The Tenancy Preservation Project connects supportive services to tenants with behavioral problems that interfere with tenancy. Working in Housing Court, the project provides tenants who are at risk of eviction with intensive case management and other resources.

Contact Info: 99 Main Street, #103; 413/584-2003

Regional Agencies and Organizations

- *HAPHousing (formerly known as HAP, Inc.)*

HAPHousing has been providing a wide range of housing programs and services since 1973 to communities in Hampden and Hampshire Counties, referring to itself as the “Regional Housing Partnership”. Key components of their work include the following:

- The Housing Consumer Education Center provides information about housing services and offers counseling and workshops for tenants, homebuyers, homeowners and rental property owners.
- The Residential Assistance to Families (RAFT) program offers short-term financial help or other assistance to families who are homeless or seriously at-risk of homelessness.
- The Western Massachusetts Foreclosure Prevention Center involves a collaboration of 15 non-profit agencies including HAP in Hampden, Hampshire, Franklin and Berkshire Counties, working together to help homeowners avoid foreclosure.
- With a grant from HUD, HAP is working with the Mass Fair Housing Center on a Fair Housing Initiatives Program to increase the understanding of fair housing rights among members of protected classes and housing providers in Hampden and Hampshire Counties.
- Rental assistance programs including Section 8 Housing Choice Vouchers and other related programs that allow lower income households to rent decent housing that they can afford in the private housing market.
- The operation of Prospect House, an emergency shelter for homeless families.
- The Safe Step Program provides transitional housing and supportive services to victims of domestic violence.
- The Turning Point Program has nine (9) units of transitional housing for pregnant and parenting teens.
- The management of more than 460 affordable apartments in Hampden and Hampshire Counties.
- Housing improvement resources including the administration of the Get the Lead Out Program, Home Modification Program (accessibility improvements for the physically disabled), and post-purchase workshops in addition to the homebuyer and foreclosure prevention counseling mentioned above.
- The Green Affordable Housing Initiative, funded by the Massachusetts Technology Collaborative and the Home Depot Foundation, in partnership with Rural Development, Inc. to promote and finance alternative energy technology

and “green building” techniques in affordable housing projects developed by HAP or other non-profit organizations in western Massachusetts.

- Property management training for rental property owners.
- The development of 39 completed projects and a total of almost 900 units including The Lorraine development as well as the Paradise Pond Apartments, both in Northampton. They also manage units that have been developed by the Valley CDC (see Section 3.2.6 for more details).

Contact Info: 20 Hampton Avenue, Suite 185 in Northampton; 413/584-8495 and 322 Main Street in Springfield; 413/233-1500

- *Pioneer Valley Habitat for Humanity*

Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need that has grown over the past two decades into one of the largest private homebuilders in the world. The organization has almost 1,600 U.S. affiliates and over 2,000 affiliates worldwide, including one based in Northampton that serves communities in the Pioneer Valley. Affiliates are operated by multi-denominational and multi-racial local leadership and with community volunteers who construct or rehabilitate houses that are sold without profit and interest to selected families in the area. Thus far the Pioneer Valley Habitat has provided permanent housing to 24 families including the following homes in Northampton:

- A duplex (2 condo units) on Pine Brook Curve in 1993
- A single-family home on Cahillane Terrace in 1999
- A duplex on Vernon and Forbes Avenue in 2000
- A duplex on Ryan Road in 2002
- Three (3) duplexes or six (6) units on Westhampton Road in 2005-2007

The organization is in the process of building five (5) single-family homes on Garfield Avenue in Florence.

Contact Info: 140 Pine Street in Florence; 413/586-5430

- *Western Massachusetts Network to End Homelessness (WMNEH)*

WMNEH is a collaboration of multiple service providers and agencies as well as civic and business leaders throughout Hampden, Hampshire, Franklin and Berkshire Counties, led by a Leadership Council and funded by a \$1.1 million grant from the Massachusetts Interagency Council on Housing and Homelessness (ICHH). The organization represents a regional public health approach to ending homelessness for both individuals and families that prioritizes prevention and the rapid response provision of permanent housing with supportive services, including economic opportunity. The network seeks to change the traditional response to homelessness by adopting a Housing First model (see Section 3.3 for more details). This strategy introduces the meaningful assessment of the needs of the homeless at key locations where those at risk of homelessness or the homeless seek help, the coordination of appropriate services to meet their needs, and the provision of housing. WMNEH is currently compiling a regional directory of all homelessness-related resources in the region. It should be noted that Mayor Higgins has been a Co-Chair of the Pioneer Valley’s 10-year Plan to End Homelessness, which has helped guide WMNEH efforts.

Contact Info: Pamela Schwartz, Director of Regional Coordination; 413/219-5658

- *Pioneer Valley Planning Commission (PVPC)*
PVPC is the regional planning agency for the 43 towns and cities in the Pioneer Valley region. It provides a wide range of planning services to municipalities and sponsors regional planning efforts on issues related to transportation, housing, economic development, energy, and infrastructure. PVPC is also the fiscal agent for the Western Massachusetts Network to End Homelessness (WMNEH), described above.
Contact Info: 60 Congress Street in Springfield; 413/781-6045
- *Center for Human Development (CHD)*
CHD provides a broad range of community-based human services dedicated to promoting, enhancing and protecting the dignity and welfare of people in need. The Center serves more than 6,000 individuals annually in Massachusetts and Connecticut, specializing in community initiatives for preventing violence in schools and neighborhoods and mediation and training to families, schools and community organizations. CHD's programs include clinical and outreach therapeutic services, emergency and long-term foster care, shelter and supportive services to the homeless, and community-based residential, supported housing, day treatment and vocational programs. CHC also provides administrative services at Grace House.
Contact Info: 332 Birnie Avenue in Springfield; 413/733-6624
- *Hampshire County Jail and House of Corrections/Reintegration*
The Hampshire County Jail goes to unusual lengths to connect inmates released from jail (including those with mental illness) to community-based services. Case managers typically carry a caseload of 30 inmates, with whom they meet within the first 72 hours following their intake, and meetings continue throughout an inmate's incarceration to help plan for any necessary treatment and for discharge. Obtaining housing is a key issue for inmates' successful reentry to the community.
Contact Info: 205 Rocky Hill Road, Northampton; 413/584-5911
- *Mass Fair Housing Center*
The Mass Fair Housing Center (MFHC) is a private, non-profit organization working to eliminate illegal housing discrimination in Central and Western Massachusetts. The organization provides education and community outreach on fair housing issues, investigates fair housing complaints, and provides legal advice and representation to victims of discrimination.
Contact Info: 57 Suffolk Street in Holyoke; 413/539-9796 ext. 101
- *South Middlesex Opportunity Council (SMOC)*
SMOC is a private, non-profit organization that serves as a community action agency as well as regional housing agency, providing a wide range of programs and services for the greater Metro West and Blackstone Valley areas with an office in Northampton. The corporation's goal has been to improve the quality of life for low-income people by working with the community to affect social, individual and family change. Programs include day care and preschool education, employment training and placement, housing, addiction, mental health, women's protective services, nutrition, energy and weatherization, legal services, services for the elderly, emergency shelter, as well as community organizing around health care, housing, rising energy cost and

banking services. The organization also has a mobile resource team that assists homeless single adults in becoming independent.

Contact Info: 16 Armory Street, Suite 4A; 413/587-0429

APPENDIX 3

Glossary of Housing Terms

40R/40S

State legislation that provides cash incentives to municipalities that adopt smart growth overlay districts that also increase housing production, including affordable housing (see Appendix 4 for details).

Affordable Housing

A subjective term, but as used in this Plan, refers to housing available to a household earning no more than 80% of area median income at a cost that is no more than 30% of total household income.

Area Median Income (AMI)

The estimated median income, adjusted for family size, by metropolitan area (or county in nonmetropolitan areas) that is adjusted by HUD annually and used as the basis of eligibility for most housing assistance programs. Sometimes referred to as “MFI” or median family income.

Chapter 40B

The state’s comprehensive permit law, enacted in 1969, established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing. Developers can appeal to the state if their application is denied or approved with conditions that render it uneconomic, and the state can overturn the local decision if it finds it unreasonable in light of the need for affordable housing.

Chapter 44B

The Community Preservation Act Enabling Legislation that allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds’ fees.

Cluster Development

A site planning technique that concentrates buildings in specific areas on the site to allow the remaining land to be used for other uses, most typically open space preservation. Some provisions allow density bonuses for certain conditions of development, including affordable housing.

Comprehensive Permit

Expedited permitting process for developers building affordable housing under Chapter 40B “anti-snob zoning” law. A comprehensive permit, rather than multiple individual permits from various local boards, is issued by the local zoning boards of appeals to qualifying developers (see Appendix 4 for details).

Conservation Development

A project that conserves open space, protects site features and provides flexibility in the siting of structures, services and infrastructure.

Department of Housing and Community Development (DHCD)

DHCD is the state's lead agency for housing and community development programs and policy. It oversees state-funded public housing, administers rental assistance programs, provides funds for municipal assistance, and funds a variety of programs to stimulate the development of affordable housing.

Design Guidelines

A set of discretionary standards, including design and performance criteria, developed as a public policy to guide the planning and land development.

Easements

The right to use property for specific purposes or to gain access to another property.

Energy Star

A voluntary labeling program of the US Environmental Protection Agency (EPA) and the US Department of Energy that identifies energy efficient products.

Enhanced Single Room Occupancy (ESRO)

A single person room with a private bath and/or kitchen rather than shared facilities.

Expedited Permitting

The state's Chapter 43D Program allows a community to gain state incentives for projects meeting certain criteria and permitted within a 180-day regulatory process.

Fair Housing Act

Federal legislation, first enacted in 1968, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status. There is also a Massachusetts Fair Housing Act, which extends the prohibition against discrimination to sexual orientation, marital status, ancestry, veteran status, children, and age. The state law also prohibits discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

Form-based Zoning

Zoning regulations that define desired building and site characteristics but do not strictly regulate the uses.

Green Building

A term used to describe buildings that have been designed or retrofitted to reduce energy consumption.

Inclusionary Zoning

Inclusionary zoning is a zoning ordinance or bylaw that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing.

Infill Development

Infill development is the practice of building on vacant or undeveloped parcels in dense areas, especially urban and inner suburban neighborhoods. Such development promotes compact development, which in turn allows undeveloped land to remain open and green.

Jobs/Housing Balance

A measure of the harmony between available jobs and housing in a specific area.

LEED

Leadership in Energy and Environmental Design (LEED) is a voluntary standard for developing high performance, sustainable buildings that significantly reduce energy consumption. There are various standards, including silver, gold and platinum, which are awarded to particular properties through a certification process.

Local Initiative Program (LIP)

LIP is a state program under which communities may use local resources and DHCD technical assistance to develop affordable housing that is eligible for inclusion on the state Subsidized Housing Inventory (SHI). LIP is not a financing program, but the DHCD technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. At least 25% of the units must be set-aside as affordable to households earning less than 80% of area median income (see Appendix 4 for more details).

MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)

MassHousing is a quasi-public agency created in 1966 to help finance affordable housing programs. MassHousing sells both tax-exempt and taxable bonds to finance its many single-family and multi-family programs.

Metropolitan Statistical Area (MSA)

The term, MSA, is also used for CMSAs (consolidated metropolitan statistical areas) and PMSAs (primary metropolitan statistical areas) that are geographic units used for defining urban areas that are based largely on commuting patterns. The federal Office of Management and Budget defines these areas for statistical purposes only, but many federal agencies use them for programmatic purposes, including allocating federal funds and determining program eligibility. HUD uses MSAs as its basis for setting income guidelines and fair market rents.

Mixed-Income Housing Development

Mixed-income development includes housing for various income levels.

Mixed-Use Development

Mixed-use projects combine different types of development such as residential, commercial, office, industrial and institutional into one project.

Overlay Zoning

A zoning district, applied over one or more other districts that contains additional provisions for special features or conditions, such as historic buildings, affordable housing, or wetlands.

Planned Development

A district or project designed to provide an alternative to the conventional suburban development standards that promote a number of important public policy benefits, often including a variety of housing, including affordable housing, and creative site design alternatives.

Public Housing Agency (PHA)

A public entity that operates housing programs: includes state housing agencies (including DHCD), housing finance agencies and local housing authorities. This is a HUD definition that is used to describe the entities that are permitted to receive funds or administer a wide range of HUD programs including public housing and Section 8 rental assistance.

Regional Non-profit Housing Organizations

Regional non-profit housing organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with DHCD. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8 vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities. HAP, Inc. serves as Northampton's regional non-profit housing organization.

Regional Planning Agencies (RPAs)

These are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. With the exception of the Cape Cod and Nantucket Commissions, however, which are land use regulatory agencies as well as planning agencies, the RPAs serve in an advisory capacity only. The Pioneer Valley Planning Commission serves as Northampton's Regional Planning Agency.

Request for Proposals (RFP)

A process for soliciting applications for funding when funds are awarded competitively or soliciting proposals from developers as an alternative to lowest-bidder competitive bidding.

Section 8

Refers to the major federal (HUD) program – actually a collection of programs – providing rental assistance to low-income households to help them pay for housing. Participating tenants pay 30% of their income (some pay more) for housing (rent and basic utilities) and the federal subsidy pays the balance of the rent. The Program is now officially called the Housing Choice Voucher Program.

Single Room Occupancy (SRO)

A single room occupancy (more commonly SRO, sometimes called single resident occupancy) is a multiple tenant building that houses one or two people in individual rooms (sometimes two rooms, or two rooms with a bathroom or half bathroom), or to the single room dwelling itself. SRO tenants typically share bathrooms and /or kitchens, while some SRO rooms may include kitchenettes, bathrooms, or half-baths. Although many are former hotels, SROs are primarily rented as permanent residences.

Smart Growth

The term used to refer to a rapidly growing and widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development – or sprawl – smart growth principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and improved jobs/housing balance.

Subsidy

Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the “layering” of subsidies, in order to make a project feasible. In the state’s Local Initiative Program (LIP), DHCD’s technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, “internal subsidies” refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to “cross subsidize” the affordable ones.

Subsidized Housing Inventory (SHI)

This is the official list of units, by municipality, that count toward a community’s 10% goal as prescribed by Chapter 40B comprehensive permit law.

Sustainability

Development that includes a balanced set of integrated principles such as social equity, environmental respect, and economic viability, which preserves a high quality of life for current occupants and future generations.

Transfer of Development Rights (TDR)

A program that coordinates the relocation of development from environmentally sensitive areas that should be preserved as open space to areas that can accommodate higher densities.

Transit Oriented Development (TOD)

Development that occurs within walking distance of public transportation, usually bus or trains, to reduce the reliance on the automobile and typically accommodate mixed uses and higher densities.

U.S. Department of Housing and Urban Development (HUD)

The primary federal agency for regulating housing, including fair housing and housing finance. It is also the major federal funding source for affordable housing programs.

APPENDIX 4

Summary of Housing Regulations and Resources

I. SUMMARY OF HOUSING REGULATIONS

A. Chapter 40B Comprehensive Permit Law⁷³

The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20-23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state, particularly outside of cities. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for “comprehensive permits” submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units. Only one application is submitted to the ZBA instead of separate permit applications that are typically required by a number of local departments as part of the normal development process. Here the ZBA takes the lead and consults with the other relevant departments (e.g., building department, planning department, highway department, fire department, sanitation department, etc.) on a single application. The Conservation Commission retains jurisdiction under the Wetlands Protection Act and Department of Environmental Protection, the Building Inspector applies the state building code, and the Board of Health enforces Title V.

For a development to qualify under Chapter 40B, it must meet all of the following requirements:

- Must be part of a “subsidized” development built by a public agency, non-profit organization, or limited dividend corporation.
- At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels income levels defined each year by the U.S. Department of Housing and Urban Development.
- Restrictions must run for minimum of 30 years or longer for new construction or for a minimum of 15 years or longer for rehabilitation. Alternatively, the project can provide 20% of the units to households below 50% of area median income. Now new homeownership must have deed restrictions that extend in perpetuity.
- Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
- Project sponsors must meet affirmative marketing requirements.

According to Chapter 40B regulations, the ZBA decision to deny or place conditions on a comprehensive permit project cannot be appealed by the developer if any of the following conditions are met⁷⁴:

- The community has met the statutory minimum by having at least 10% of its year-round housing stock affordable as defined by Chapter 40B, at least 1.5% of the community’s land area includes

⁷³ Because Northampton has more than 10% of its year-round housing stock approved as affordable by the state under the Chapter 40B guidelines, it is not currently subject to overrides of local zoning. However, if when the 2010 census becomes available, the City’s percentage dips below 10% due to a loss of affordable units (expiring use projects), these 40B regulations would come into effect.

⁷⁴ Section 56.03 of the new Chapter 40B regulations.

affordable housing as defined again by 40B, or annual affordable housing construction is on at least 0.3% of the community's land area.

- The community has made "recent progress" adding SHI eligible housing units during the prior 12 months equal at least to 2% of its year-round housing.
- The community has a one- or two-year exemption under Housing Production.
- The application is for a "large project" that equals at least 6% of all housing units in a community with less than 2,500 housing units.
- A "related application" for the site was filed, pending or withdrawn within 12 months of the application.

If a municipality does not meet any of the above thresholds, it is susceptible to appeals by comprehensive permit applicants of the ZBA's decision to the state's Housing Appeals Committee (HAC). This makes the Town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.⁷⁵ Recently approved regulations add a new requirement that ZBA's provide early written notice (within 15 days of the opening of the local hearing) to the application and to DHCD if they intend to deny or condition the permit based on the grounds listed above that make the application appeal proof, providing documentation for its position. Under these circumstances, municipalities can count projects with approved comprehensive permits that are under legal approval, but not by the ZBA, at the time.

Applicants wishing to appeal the ZBA decision based on appeal-proof grounds must notify the ZBA and DHCD in writing within 15 days of receipt of the ZBA notice. If the applicant appeals, DHCD will review materials from the ZBA and applicant and issue a decision within 30 days of receipt of the appeal (failure to issue a decision is a construction approval of the ZBA's position). Either the ZBA or application can appeal DHCD's decision by filing an interlocutory appeal with the Housing appeals Committee (HAC) within 20 days of receiving DHCD's decision. If a ZBA fails to follow this procedure, it waives its right to deny a permit on these "appeal-proof" grounds.

Recent changes to Chapter 40B also address when a community can count a unit as eligible for inclusion in the SHI including:

- *40R*
Units receiving Plan Approval under 40R now count when the permit or approval is filed with the municipal clerk provided that no appeals are filed by the board or when the last appeal is fully resolved, similar to a Comprehensive Permit project.
- *Certificate of Occupancy*
Units added to the SHI on the basis of receiving building permits become temporarily ineligible if the C of O is not issued within 18 months.

⁷⁵ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

- *Large Phased Projects*
If the comprehensive permit approval or zoning approval allows a project to be built in phases and each phase includes at least 150 units and average time between the start of each phase is 15 months or less, then the entire project remains eligible for the SHI as long as the phasing schedule set forth in the permit approval continues to be met.
- *Projects with Expired Use Restrictions*
Units become ineligible for inclusion in the SHI upon expiration or termination of the initial use restriction unless a subsequent use restriction is imposed.
- *Biennial Municipal Reporting*
Municipalities are responsible for providing the information on units that should be included in the SHI through a statement certified by the chief executive officer.

Towns are allowed to set-aside up to 70% of the affordable units available in a 40B development for those who have a connection to the community as defined within the parameters of fair housing laws and Section III.C of the Comprehensive Permit Guidelines including residents, employees of the City of Northampton (including the school district) or employees of businesses located in the city.

While there are ongoing discussions regarding how the state should count the affordable units for the purpose of determining whether a community has met the 10% goal, in a rental project if the subsidy applies to the entire project, all units are counted towards the state standard. For homeownership projects, only the units made affordable to those households earning within 80% of median income can be attributed to the affordable housing inventory.

There are up to three stages in the 40B process – the project eligibility stage, the application stage, and at times the appeals stage. First, the applicant must apply for eligibility of a proposed 40B project/site from a subsidizing agency. Under Chapter 40B, subsidized housing is not limited exclusively to housing receiving direct public subsidies but also applies to privately-financed projects receiving technical assistance from the State through its Local Initiative Program (LIP) or through MassHousing (Housing Starts Program), Federal Home Loan Bank Board (New England Fund), MassDevelopment, and Massachusetts Housing Partnership Fund. The subsidizing agency then forwards the application to the local City Council/Board of Selectmen for a 30-day comment period. The City Council/Board of Selectmen solicits comments from Town officials and other boards and based on their review the subsidizing agency typically issues a project eligibility letter. Alternatively, a developer may approach the City Council/Board of Selectmen for their endorsement of the project, and they can make a joint application to DHCD for certification under the Local Initiative Program (for more information see description in Section I.E below).

Recent changes to 40B regulations expands the items a subsidizing agency must consider when determining site eligibility including:

- Information provided by the municipality or other parties regarding municipal actions previously taken to meet affordable housing needs, including inclusionary zoning, multi-family districts and 40R overlay zones.
- Whether the conceptual design is appropriate for the site including building massing, topography, environmental resources, and integration into existing development patterns.

- That the land valuation, as included in the pro forma, is consistent with DHCD guidelines regarding cost examination and limitations on profits and distribution.
- Requires that LIP site approval applications be submitted by the municipality's chief executive officer.
- Specifies that members of local boards can attend the site visit conducted during DHCD's 30-day review period.
- Requires that the subsidizing agency provide a copy of its determination of eligibility to DHCD, the chief executive officer of the municipality, the ZBA and the applicant.

If there are substantial changes to a project before the ZBA issues its decision, the subsidizing agency can defer the re-determination of site/project eligibility until the ZBA issues its decision unless the chief executive officer of the municipality or applicant request otherwise. New 40B regulations provide greater detail on this re-determination process. Additionally, challenges to project eligibility determinations can only be made on the grounds that there has been a substantial change to the project that affects project eligibility requirements and leaves resolution of the challenge to the subsidizing agency.

The next stage in the comprehensive permit process is the application phase including pre-hearing activities such as adopting rules before the application is submitted, setting a reasonable filing fee, providing for technical "peer review" fees, establishing a process for selecting technical consultants, and setting forth minimum application submission requirements. Failure to open a public hearing within 30 days of filing an application can result in constructive approval. The public hearing is the most critical part of the whole application process. Here is the chance for the Zoning Board of Appeals' consultants to analyze existing site conditions, advise the ZBA on the capacity of the site to handle the proposed type of development, and to recommend alternative development designs. Here is where the ZBA gets the advice of experts on unfamiliar matters – called peer review. Consistency of the project with local needs is the central principal in the review process.

Another important component of the public hearing process is the project economic analysis that determines whether conditions imposed and waivers denied would render the project "uneconomic". The burden of proof is on the applicant, who must prove that it is impossible to proceed and still realize a reasonable return, which cannot be more than 20%. Another part of the public hearing process is the engineering review. The ZBA directs its consultants to analyze the consistency of the project with local bylaws and regulations and to examine the feasibility of alternative designs.

New Chapter 40B regulations now add a number of requirements related to the hearing process that include:

- The hearing must be terminated within 180 days of the filing of a complete application unless the applicant consents to extend.
- Allows communities already considering three (3) or more comprehensive permit applications to stay a hearing on additional applications if the total units under consideration meet the definition of a large project (larger of 300 units or 2% of housing in communities with 7,500 housing units as of the latest Census, 250 units in communities with 5,001 to 7,499 total units, 200 units in communities with 2,500 to 5,000 units, and 150 units or 10% of housing in communities with less than 2,500 units).

- Local boards can adopt local rules for the conduct of their hearings, but they must obtain an opinion from DHCD that their rules are consistent with Chapter 40B.
- Local boards cannot impose “unreasonable or unnecessary” time or cost burdens on an applicant and bans requiring an applicant to pay legal fees for general representation of the ZBA or other boards. The new requirements go into the basis of the fees in more detail, but as a general rule the ZBA may not assess any fee greater than the amount that might be appropriated from town or city funds to review a project of a similar type and scale.
- An applicant can appeal the selection of a consultant within 20 days of the selection on the grounds that the consultant has a conflict of interest or lack minimum required qualifications.
- Specify and limit the circumstances under which ZBA’s can review pro formas.
- Zoning waivers are only required under “as of right” requirements, not from special permit requirements.
- Forbids ZBA’s from imposing conditions that deviate from the project eligibility requirements or that would require the project to provide more affordable units than the minimum threshold required by DHCD guidelines.
- States that ZBA’s cannot delay or deny an application because a state or federal approval has not been obtained.
- Adds new language regarding what constitutes an uneconomic condition including requiring applicants to pay for off-site public infrastructure or improvements if they involve pre-existing conditions, are not usually imposed on unsubsidized housing or are disproportionate to the impacts of the proposed development or requiring a reduction in the number of units other than on a basis of legitimate local concerns (health, safety, environment, design, etc.). Also states that a condition shall not be considered uneconomic if it would remove or modify a proposed nonresidential element of a project that is not allowed by right.

After the public hearing is closed, the ZBA must set-aside at least two sessions for deliberations within 40 days of the close of the hearing. These deliberations can result in either approval, approval with conditions, or denial.

Subsidizing agencies are required to issue final project eligibility approvals following approval of the comprehensive permit reconfirming project eligibility, including financial feasibility, and approving the proposed use restriction and finding that the applicant has committed to complying with cost examination requirements. New Chapter 40B regulations set forth the basic parameters for insuring that profit limitations are enforced, while leaving the definition of “reasonable return” to the subsidizing agency in accordance with DHCD guidelines. The applicant or subsequent developer must submit a detailed financial statement, prepared by a certified public accountant, to the subsidizing agency in a form and upon a schedule determined by the DHCD guidelines.

If the process heads into the third stage – the appeals process – the burden is on the ZBA to demonstrate that the denial is consistent with local needs, meaning the public health and safety and environmental concerns outweigh the regional need for housing. If a local ZBA denies the permit, a state Housing Appeals Committee (HAC) can overrule the local decision if less than 10% of the locality’s year round housing stock has been subsidized for households earning less than 80% of median income, if the locality cannot demonstrate health and safety reasons for the denial that cannot be mitigated, or if the community has not met housing production goals based on an approved plan or other statutory minima listed above. The HAC has upheld the developer in the vast majority of the cases, but in most instances promotes negotiation and compromise between the developer and locality. In its 30-year

history, only a handful of denials have been upheld on appeal. The HAC cannot issue a permit, but may only order the ZBA to issue one. Also, any aggrieved person, except the applicant, may appeal to the Superior Court or Land Court, but even for abutters, establishing “standing” in court is an uphill battle. Appeals from approvals are often filed to force a delay in commencing a project, but the appeal must demonstrate “legal error” in the decision of the ZBA or HAC.

B. Housing Production Regulations

As part of the Chapter 40B comprehensive permit regulations, the Massachusetts Department of Housing and Community Development (DHCD) is administering the Housing Production Program in accordance with regulations that enable cities and towns to do the following:

- Prepare and adopt an Housing Production Plan that demonstrates production of an increase of .05% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (61 units and 123 units, respectively, for Northampton until the new census figures are available in 2011) for *approval* by DHCD.⁷⁶
- Request *certification* of compliance with the plan by demonstrating production of at least the number of units indicated above.
- Through local ZBA action, deny a comprehensive permit application during the period of certified compliance, which is 12 months following submission of the production documentation to DHCD, or 24 months if the 1.0% threshold is met.

For the plan to be acceptable to DHCD it must meet the following requirements:

- Include a comprehensive housing needs assessment to establish the context for municipal action based on the most recent census data. The assessment must include a discussion of municipal infrastructure include future planned improvements.
- Address a mix of housing consistent with identified needs and market conditions.
- Address the following strategies including -
 - Identification of geographic areas in which land use regulations will be modified to accomplish affordable housing production goals.
 - Identification of specific sites on which comprehensive permit applications will be encouraged.
 - Preferable characteristics of residential development such as infill housing, clustered areas, and compact development.
 - Municipally owned parcels for which development proposals will be sought.
 - Participation in regional collaborations addressing housing development.

Plans must be adopted by the City Council and Planning Board, and the term of an approved plan is five (5) years.

C. Chapter 40R/40S

In 2004, the State Legislature approved a new zoning tool for communities in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State

⁷⁶ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that “the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income”.⁷⁷

The statute defines 40R as “a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions.”⁷⁸ The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows “as-of-right” residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides two types of payments to municipalities; and
- Encourages open space and protects historic districts.

The incentives prescribed by the Task Force and passed by the Legislature include an incentive payment upon the passage of the Overlay District based on the number of projected housing units as follows:

Incentive Payments	
Incentive Units	Payments
Up to 20	\$10,000
21-100	\$75,000
101-200	\$200,000
210-500	\$350,000
501 or more	\$600,000

There are also density bonus payments of \$3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings, 12 units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of less than 10,000 residents are eligible for a waiver of these density requirements, however significant hardship must be demonstrated. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would enact the Zoning Districts, would be “able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood.”⁷⁹

⁷⁷ Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, “A Housing Strategy for Smart Growth and Economic Development: Executive Summary”, October 30, 2003, p. 3.

⁷⁸ Massachusetts General Law, Chapter 40R, Section 11.

⁷⁹ “A Housing Strategy for Smart Growth and Economic Development: Executive Summary,” p. 4.

The principal benefits of 40R include:

- Expands a community's planning efforts;
- Allows communities to address housing needs;
- Allows communities to direct growth;
- Can help communities meet production goals and 10% threshold under Chapter 40B;
- Can help identify preferred locations for 40B developments; and
- State incentive payments.

The formal steps involved in creating Overlay Districts are as follows:

- The Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
- The Town applies to DHCD prior to adopting the new zoning;
- DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
- The Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;
- The Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
- DHCD issues a letter of approval, which indicates the number of incentive units and the amount of payment.

The state also enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R that they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. This funding was initially included as part of 40R but was eliminated during the final stages of approval. In effect, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development.

D. Local Initiative Program (LIP) Guidelines

The Local Initiative Program (LIP) is a technical assistance subsidy program to facilitate Chapter 40B developments and locally produced affordable units. The general requirements of LIP include insuring that projects are consistent with sustainable or smart growth development principles as well as local housing needs. LIP recognizes that there is a critical need for all types of housing but encourages family and special needs housing in particular. Age-restricted housing (over 55) is allowed but the locality must demonstrate actual need and marketability. DHCD has the discretion to withhold approval of age-restricted housing if other such housing units within the community remain unbuilt or unsold or if the age-restricted units are unresponsive to the need for family housing within the context of other recent local housing efforts.

There are two types of LIP projects, those using the comprehensive permit process, the so-called "friendly" 40B's, and Local Action Units, units where affordability is a result of some local action such as inclusionary zoning, Community Preservation funding, other regulatory requirements, etc.

Specific LIP requirements include the following by category:

Income and Assets

- Must be affordable to those earning at or below 80% of area median income adjusted by family size and annually by HUD. Applicants for affordable units must meet the program income limits in effect at the time they apply for the unit and must continue to meet income limits in effect when they actually purchase a unit.
- For homeownership units, the household may not have owned a home within the past three years except for age-restricted “over 55” housing.
- For homeownership projects, assets may not be greater than \$75,000 except for age-restricted housing where the net equity from the ownership of a previous house cannot be more than \$200,000.
- Income and asset limits determine eligibility for lottery participation.

Allowable Sales Prices and Rents⁸⁰

- Rents are calculated at what is affordable to a household earning 80% of area median income adjusted for family size, assuming they pay no more than 30% of their income on housing. Housing costs include rent and payments for heat, hot water, cooking fuel, and electric. If there is no municipal trash collection a trash removal allowance should be included. If utilities are separately metered and paid by the tenant, the LIP rent is reduced based on the area’s utility allowance. Indicate on the DHCD application whether the proposed rent has been determined with the use of utility allowances for some or all utilities.
- Sales prices of LIP units are set so a household earning 70% of area median income would have to pay no more than 30% of their income for housing. Housing costs include mortgage principal and interest on a 30-year fixed term mortgage at 95% of purchase price, property taxes, condo fees⁸¹, private mortgage insurance (if putting less than 20% of purchase price down), and hazard insurance.
- The initial maximum sales price or rent is calculated as affordable to a household with a number of household members equal to the number of bedrooms plus one (for example a two-bedroom unit would be priced based on what a three-person household could afford).

Allowable Financing and Costs

- Allowable development costs include the “as is” value of the property based on existing zoning at the time of application for a project eligibility letter (initial application to DHCD). Carrying costs (i.e., property taxes, property insurance, interest payments on acquisitions financing, etc.) can be no more than 20% of the “as is” market value unless the carrying period exceeds 24 months. Reasonable carrying costs must be verified by the submission of documentation not within the exclusive control of the applicant.
- Appraisals are required except for small projects of 20 units or less at the request of the City Council/Board of Selectmen where the applicant for the LIP comprehensive permit submits satisfactory evidence of value.

⁸⁰ DHCD has an electronic mechanism for calculating maximum sales prices on its website at www.mass.gov/dhcd.

⁸¹ DHCD will review condo fee estimates and approve a maximum condo fee as part of the calculation of maximum sales price. The percentage interests assigned to the condo must conform to the approved condo fees and require a lower percentage interest assigned to the affordable units as opposed to the market rate ones. DHCD must review the Schedule of Beneficial Interests in the Master Deed to confirm that LIP units have been assigned percentage interests that correspond to the condo fees.

- Profits are limited to no more than 20% of total allowable development costs in homeownership projects.
- In regard to rental developments, payment of fees and profits are limited to no more than 10% of total development costs net of profits and fees and any working capital or reserves intended for property operations. Beginning upon initial occupancy and then proceeding on an annual basis, annual dividend distributions will be limited to no more than 10% of the owner's equity in the project. Owner's equity is the difference between the appraised as-built value and the sum of any public equity and secured debt on the property.
- For LIP comprehensive permit projects, DHCD requires all developers to post a bond (or a letter of credit) with the municipality to guarantee the developer's obligations to provide a satisfactory cost certification upon completion of construction and to have any excess profits, beyond what is allowed, revert back to the municipality. The bond is discharged after DHCD has determined that the developer has appropriately complied with the profit limitations.
- No third party mortgages are allowed for homeownership units.

Marketing and Outreach (refer to state Affirmative Fair Housing Marketing Plan guidelines dated June 25, 2008.)

- Marketing and outreach, including lottery administration in adherence with all Fair Housing laws.
- LIP requires that the lottery draw and rank households by size.
- If there are proportionately less minority applicants in the community preference pool than the proportion in the region, a preliminary lottery must be held to boost, if possible, the proportion of minority applicants to this regional level.
- A maximum of 70% of the units may be local preference units for those who have a connection to the community as defined under state guidelines (Section C: Local Preference section of the Affirmative Fair Housing Marketing Plan Guidelines (dated June 25, 2008).
 - The Marketing Plan must affirmatively provide outreach to area minority communities to notify them about availability of the unit(s).
 - Marketing materials must be available/application process open for a period of at least 60 days.
 - Marketing should begin about six (6) months before occupancy.
 - Lottery must be held unless there are no more qualified applicants than units available.

Regulatory Requirements

- The affordable units design, type, size, etc. must be the same as the market units and dispersed throughout the development.
- Units developed through LIP as affordable must be undistinguishable from market units as viewed from the exterior (unless the project has a DHCD-approved alternative development plan that is only granted under exceptional circumstances) and contain complete living facilities.
- For over 55 projects, only one household member must be 55 or older.
- Household size relationship to unit size is based on "households" = number of bedrooms plus one – i.e., a four-person household in a three-bedroom unit (important also for

- calculating purchase prices of the affordable units for which LIP has a formula as noted above).
- Must have deed restrictions in effect in perpetuity unless the applicant or municipality can justify a shorter term to DHCD.
- All affordable units for families must have at least two or more bedrooms and meet state sanitary codes and these minimum requirements –

1 bedroom – 700 square feet/1 bath
 2 bedrooms – 900 square feet/1 bath
 3 bedrooms – 1,200 square feet/ 1 ½ baths
 4 bedrooms – 1,400 square feet/2 baths

- Appraisals may take into account the probability of obtaining a variance, special permit or other zoning relief but must exclude any value relating to the possible issuance of a comprehensive permit.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is largely developer driven. It is based on the understanding that the developer and Town are working together on a project that meets community needs. Minimum requirements include:

1. Written support of the municipality’s chief elected official, and the local housing partnership, trust or other designated local housing entity. The chief executive officer is in fact required to submit the application to DHCD.
2. At least 25% of the units must be affordable and occupied by households earning at or below 80% of area median income or at least 20% of units restricted to households at or below 50% of area median income.
3. Affordability restrictions must be in effect in perpetuity, to be monitored by DHCD through a recorded regulatory agreement.
4. Project sponsors must prepare and execute an Affirmative Fair Housing Marketing Plan that must be approved by DHCD.
5. Developer’s profits are restricted per Chapter 40B requirements.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is as follows:

1. Application process
 - Developer meets with Town
 - Developer and Town agree to proposal
 - Town chief elected officer submits application to DHCD with developer’s input
2. DHCD review involves the consideration of:
 - Sustainable development criteria (redevelop first, concentrate development, be fair, restore and enhance the environment, conserve natural resources, expand housing opportunities, provide transportation choice, increase job opportunities, foster sustainable businesses, and plan regionally),
 - Number and type of units,

- Pricing of units to be affordable to households earning no more than 70% of area median income,
 - Affirmative marketing plan,
 - Financing, and
 - Site visit.
3. DHCD issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.
 4. Zoning Board of Appeals holds hearing
 - Developer and Town sign regulatory agreement to guarantee production of affordable units that includes the price of units and deed restriction in the case of homeownership and limits on rent increases if a rental project. The deed restriction limits the profit upon resale and requires that the units be sold to another buyer meeting affordability criteria.
 - Developer forms a limited dividend corporation that limits profits.
 - The developer and Town sign a regulatory agreement.
 5. Marketing
 - An Affirmative Fair Housing Marketing Plan must provide outreach to area minority communities to notify them about availability of the unit(s).
 - Local preference is limited to a maximum of 70% of the affordable units.
 - Marketing materials must be available/application process open for a period of at least 60 days.
 - Lottery must be held.
 6. DHCD approval must include
 - Marketing plan, lottery application, and lottery explanatory materials
 - Regulatory agreement (DHCD is a signatory)
 - Deed rider (Use standard LIP document)
 - Purchase arrangements for each buyer including signed mortgage commitment, signed purchase and sale agreement and contact information of purchaser's closing attorney.

As mentioned above, in addition to being used for "friendly" 40B projects, LIP can be used for counting those affordable units as part of a Town's Subsidized Housing Inventory that are created as a result of some local action. Following occupancy of the units, a Local Action Units application must be submitted to DHCD for the units to be counted as affordable. This application is on DHCD's web site.

The contact person at DHCD is Janice Lesniak of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: Janice.lesniak@state.ma.us). For resale questions contact Elsa Campbell, Housing Specialist (phone: 617-573-1321; fax: 617-573-1330; email: elsa.campbell@state.ma.us).

E. Commonwealth Capital⁸²

The state established Commonwealth Capital as a policy that encourages communities to implement smart growth by utilizing the smart growth consistency of municipal land use

⁸² This program was created by the Romney administration and coordinated by the Office of Commonwealth Development. While OCD has been disbanded, applications are still being accepted

regulations as part of the evaluation of proposals for state funding under a number of state capital spending programs. Those municipalities with higher scores, will be in a more competitive position for receiving state discretionary funding, not just for housing, but for other purposes including infrastructure, transportation, environment, economic development, etc. The state's goal is to invest in projects that are consistent with Sustainable Development Principles that include:

1. Redevelop first;
2. Concentrate development;
3. Be fair;
4. Restore and enhance the environment;
5. Conserve natural resources;
6. Expand housing opportunities;
7. Provide transportation choice;
8. Increase job opportunities;
9. Foster sustainable businesses; and
10. Plan regionally.

Applications can be submitted at any time and will be valid for the programs listed above throughout the current fiscal year. Communities should submit applications prior to the deadline for any Commonwealth Capital program to which they are applying to ensure that their score will count. Applications should be submitted electronically, and each community is assigned its own login and password.

Programs which are affected by Commonwealth Capital include the following that are operated by the Executive Office of Administration and Finance (EOAF), Executive Office of Energy and Environmental Affairs (EOEEA), Executive Office of Housing and Economic Development (EOHED), Executive Office of Transportation and Public Works (EOTPW), Coastal Zone Management (CZM), Massachusetts Office of Business Development (MOBD), Massachusetts Office of Relocation and Expansion (MORE), and the Department of Housing and Community Development (DHCD):

- Public Works Economic Development Program (EOTPW)
- Bike and Pedestrian Program (EOTPW)*
- Transit Oriented Development Bond Program (EOTPW)
- Community Development Action Grant Program (EOHED and DHCD)
- State Revolving Fund (EOEEA and DEP)
- Urban Brownfields Assessment Program (EOEEA)*
- Urban Self-Help Program (EOEEA and DCS)
- Drinking Water Supply Protection Grant Program (EOEEA)
- Urban River Visions Program (EOEEA)*
- Coastal Pollutant Remediation Grant Program (EOEEA and CZM)
- Coastal Nonpoint Source Pollution Grant Program (EOEEA and CZM)
- Off-Street Parking Program (EOAF)
- Smart Growth Technical Assistance Program (for this program EOEEA will use inverse Commonwealth Capital scores. Unlike the other 13 programs, a primary goal of this program is to help communities with low scores improve.)

* Indicates programs that are eliminated in proposed program changes.

Changes to Commonwealth Capital have added the following programs:

- Small Town Road Assistance Program (EOTPW)
- MA Opportunity Relocation and Expansion (MORE)
- Jobs Capital Program (MOBD)
- Water Transportation Capital Funding Program (EOTPW)
- Alternative Energy Property Program (EOEEA-DOER)

The application involves a maximum score of 140 points, including bonus points. The Commonwealth Capital score will account for 30% of the possible application points for any of the Commonwealth Capital programs, the other 70% points related to the purpose of the particular program and the merits of the proposed project. Communities receive points for zoning, planning, housing, environmental, energy, transportation, and other measures that already exist as well as measures they commit to implement by the end of 2009 (for this year's application). Additionally, communities can receive bonus points for successfully implementing commitments made in their 2008 applications.

The major components of the proposed Commonwealth Capital application and corresponding total point allocations are provided below:

- Plan for and promote livable communities and plan regionally (19)
- Zone for and permit concentrated development and mixed use (26)
- Expand housing opportunities (21)
- Make efficient decisions and increase job and business opportunities (12)
- Protect land and ecosystems (21)
- Use natural resources wisely (7)
- Promote clean energy (9)
- Provide transportation choice (9)
- Advance equity (6)
- Promote sustainable development via other actions (10)
- Bonus points for every prior fiscal year commitment implemented

A greater number of points are granted for actions that are already in place but points are also issued for commitments that have not yet been implemented. **It should be noted that Northampton has among the highest Commonwealth Capital scores in the state.**

II. SUMMARY OF HOUSING RESOURCES

Those programs that may be most appropriate to development activity in Northampton are described below.⁸³

A. Technical Assistance

1. *Priority Development Fund*⁸⁴

A relatively new state-funded initiative, the Priority Development Fund, provides planning assistance to municipalities for housing production. In June 2004, DHCD began making \$3 million available through this Fund on a first-come, first-served basis to encourage the new production of housing, especially mixed-income rental housing. PDF assistance supports a broad range of activities to help communities produce housing. Applications must demonstrate the community's serious long-term commitment and willingness to increase its housing supply in ways that are consistent with the Commonwealth's principles of sustainable development.

Eligible activities include community initiated activities and implementation activities associated with the production of housing on specific sites. Community initiated activities include but are not limited to:

Zoning activities that support the program objectives include:

- Incentive zoning provisions to increase underlying housing density;
- Smart Growth Zoning Overlay Districts;
- Inter- and intra-municipal Transferable Development Rights proposals;
- Zoning that promotes compact housing and development such as by right multi-family housing, accessory apartment units, clustered development, and inclusionary zoning;
- Zoning provisions authorizing live-and-work units, housing units for seasonal employees, mixed assisted living facilities and the conversion of large single-family structures, vacant mills, industrial buildings, commercial space, a school or other similar facilities, into multi-family developments; and
- Other innovative zoning approaches developed by and for an individual community.

Education and outreach efforts that support the program objectives include:

- Establishment of a local or regional affordable housing trust;
- Development of a plan of action for housing activities that will be undertaken with Community Preservation Act funds; and
- Efforts to build local support (grass-root education) necessary to achieve consensus or approval of local zoning initiatives.

Implementation activities associated with the production of housing in site-specific areas include but are not limited to:

- Identification of properties, site evaluation, land assembly and financial feasibility analysis; and
- Development of a Request for Proposal (RFP) for the disposition of land.

⁸³ Program information was gathered through agency brochures, agency program guidelines and application materials as well as the following resources: Verrilli, Ann. Housing Guidebook for Massachusetts. Produced by the Citizen's Housing and Planning Association, June 1999.

⁸⁴ Description taken from the state's program description.

The PDF assistance is not available to serve as a substitute for pre-development assessment of alternative development scenarios for parcels already controlled by an identified private developer or to supplant municipal funds to pay staff salaries.

Eligible applicants consist of cities and towns within the Commonwealth. Municipalities may enter into third party agreements with consultants approved by DHCD, however only a municipality will be allowed to enter into a contract with MassHousing regarding the distribution of funds. Municipalities will be responsible for attesting that all funds have been expended for their intended purposes.

Joint applications involving two or more communities within a region or with similar housing challenges are strongly encouraged as a way to leverage limited resources, however, one municipality will be required to serve as the lead.

MassHousing and DHCD reserve the right to screen applications and to coordinate requests from communities seeking similar services. For example, rural communities may be more effectively served by an application for a shared consultant who can work with numerous towns to address zoning challenges that enhance housing production. Likewise, it may be more effective to support an application for a consultant to review model zoning bylaws or overlay districts with a number of interested communities with follow-up at the community level to support grassroots education, than it is to support the separate development of numerous zoning bylaws. Communities submitting multiple applications must prioritize their applications.

In exchange for the assistance, municipalities must agree to share the end product of the funded activities with DHCD and MassHousing and with other communities in the Commonwealth through reports, meetings, workshops, and to highlight these activities in print, on the web or other media outlets.

The agencies will focus the evaluation of applications to determine overall consistency with program goals and the principles of sustainable development. Applications will be evaluated based on:

- Eligibility of activity;
- Public support;
- Demonstrated need for funds;
- Likelihood activity will result in production of housing;
- Reasonableness of the timeline;
- Readiness to proceed with proposed project;
- Capacity to undertake activity;
- Cost estimates and understanding of the proposed project cost;
- Proposed activity having clearly defined benefits that will result in the production of housing;
- and
- Benefits being realized within a 2-3 year-timeframe.

Applications for funding will be accepted and evaluated on a rolling review basis. In order to deploy this assistance as effectively and efficiently as possible, or in the event the planning funds are oversubscribed, communities that have relatively greater planning capacity and/or resources may be requested to provide some matching funds. Additional consideration and flexibility for the assistance will be made for communities with little or no planning staff capacity or resources.

Communities may apply to DHCD for assistance of up to \$50,000. The amount of funds awarded will be a reflection of the anticipated impact on housing production. DHCD and MassHousing reserve the right to designate proposals as “Initiatives of Exceptional Merit,” in order to increase the amount of assistance and scope of services for certain projects.

2. Peer to Peer Technical Assistance

This state program utilizes the expertise and experience of local officials from one community to provide assistance to officials in another comparable community to share skills and knowledge on short-term problem solving or technical assistance projects related to community development and capacity building. Funding is provided through the Community Development Block Grant Program and is limited to grants of no more than \$1,000, providing up to 30 hours of technical assistance.

Applications are accepted on a continuous basis, but funding is limited. To apply, a municipality must provide DHCD with a brief written description of the problem or issue, the technical assistance needed and documentation of a vote of the City Council/Board of Selectmen or letter from the Mayor/Town Administrator supporting the request for a peer. Communities may propose a local official from another community to serve as the peer or ask DHCD for a referral. If DHCD approves the request and once the peer is recruited, DHCD will enter into a contract for services with the municipality. When the work is completed to the municipality’s satisfaction, the municipality must prepare a final report, submit it to DHCD, and request reimbursement for the peer.

3. MHP Intensive Community Support Team

The Massachusetts Housing Partnership Fund is a quasi-public agency that offers a wide range of technical and financial resources to support affordable housing. The Intensive Community Support Team provides sustained, in-depth assistance to support the development of affordable housing. Focusing on housing production, the Team helps local advocates move a project from the conceptual phase through construction, bringing expertise and shared lessons from other parts of the state. The team can also provide guidance on project finance. Those communities, which are interested in this initiative, should contact the MHP Fund directly for more information.

4. MHP Chapter 40B Technical Assistance Program

Working with DHCD, MHP launched this program in 1999 to provide technical assistance to those communities needing assistance in reviewing comprehensive permit applications. The Program offers up to \$10,000 in third-party technical assistance to enable communities to hire consultants to help them review Chapter 40B applications. Those communities that are interested in this initiative should contact the MHP Fund directly for more information.

MHP recently announced new guidelines to help cities and towns review housing development proposals under Chapter 40B including:

- State housing agencies will now appraise and establish the land value of 40B sites before issuing project eligibility letters.
- State will put standards in place for determining when permit conditions make a 40B development “uneconomic”.
- There will be set guidelines on determining related-party transactions, i.e., when a developer may also have a role as contractor or realtor.

- Advice on how to identify the most important issues early and communicate them to the developer, how informal work sessions can be effective, and how to make decisions that are unlikely to be overturned in court.

5. *Smart Growth Technical Assistance Grants*

The state recently announced the availability of *Smart Growth Technical Assistance Grants* from the Executive Office of Environmental Affairs that provides up to \$30,000 per community to implement smart growth zoning changes and other activities that will improve sustainable development practices and increase scores on the Commonwealth Capital application. Eligible activities include:

- Zoning changes that implement planning recommendations;
- Development of mixed-use zoning districts;
- Completion of Brownfields inventory or site planning;
- Implementation of stormwater BMPs;
- Completion of Open Space Residential Design bylaws/ordinances;
- Implementation of Low Impact Development (LID) bylaws/ordinances; and
- Development of a Right-to-Farm bylaw/ordinance or zoning protections for agricultural preservation.

The state requires that localities provide a match of 15% of this special technical assistance fund and encourages communities that are interested in the same issues to apply jointly. Preference will be given to applications that improve sustainable development practices, realize a commitment from a community's Commonwealth Capital application, and implement a specific Community Development or Master Plan action. Additional preference will be offered those communities with lower Commonwealth Capital scores to support towns that have the greatest need for improved land use practices. For FY 2006, applications were due in mid-August for projects that must be completed by June 30, 2006, but no applications were required in FY 2006 if one had been submitted previously. Nevertheless, communities are able to submit supplemental information that will likely help boost their scores and competitiveness for state discretionary resources.

B. Housing Development

While comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones, communities are finding that they also require public subsidies to cover the costs of affordable or mixed-income residential development and need to access a range of programs through the state and federal government and other financial institutions to accomplish their objectives and meet affordable housing goals. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income tenants can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

The state requires applicants to submit a One Stop Application for most of its housing subsidy programs in an effort to standardize the application process across agencies and programs. A Notice of Funding Availability (NOFA) is issued by the state usually twice annually for its rental programs and homeownership initiatives. Using the One Stop Application, applicants can apply to several programs simultaneously to support the funding needs of a particular project.

1. *HOME Program*

HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

- Produce rental housing;
- Provide rehabilitation loans and grants, including lead paint removal and accessibility modifications, for rental and owner-occupied properties;
- Offer tenant-based rental assistance (two-year subsidies); and/or
- Assist first-time homeowners.

The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income, the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income. In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

The HOME Rental Program is targeted to the acquisition and rehabilitation of multi-family distressed properties or new construction of multi-family rental housing from five to fifty units. Once again, the maximum subsidy per project is \$750,000 and the maximum subsidy per unit in localities that receive HOME or CDBG funds directly from HUD is \$50,000 (these communities should also include a commitment of local funds in the project). Subsidies are in the form of deferred loans at 0% interest for 30 years. State HOME funding cannot be combined with another state subsidy program with several exceptions including the Low Income Housing Tax Credits, HIF and the Soft Second Program.

Unlike most cities, Northampton does not receive an annual allocation of HOME funding and must apply to the state for individual programs or projects.

2. *Community Development Block Grant Program (CDBG)*

Northampton does receive an annual allocation of CDBG funding, approximately \$750,000,⁸⁵ that provides substantial assistance for housing activities. While CDBG funding was used in the past to support a housing rehab program, the City needs to locate a new rehab program administrator. Each year, 10-20 public service programs are funded, in addition to the Valley CDC First Time Homebuyer Program and the Council on Aging Home Repair Program. A portion of the City's funding is currently being used to retire debt service on the new Senior Center.

3. *Housing Stabilization Fund (HSF)*

The state's Housing Stabilization Fund (HSF) was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or

⁸⁵ In FY10, Northampton received an allocation of \$756,801 plus an additional one-time allocation of \$201,513 in stimulus funds.

loans through state and local agencies, housing authorities and community development corporations with the ability to subcontract to other entities. The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project is \$750,000 and the maximum per unit is \$65,000 for communities that do not receive HOME or CDBG funds directly from HUD, and \$50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

4. Low Income Housing Tax Credit Program

The Low Income Housing Tax Credit Program was created in 1986 by the Federal Government to offer tax credits to investors in housing development projects that include some low-income units. The tax credit program is often the centerpiece program in any affordable rental project because it brings in valuable equity funds. Tax credits are either for 4% or 9% of the development or rehab costs for each affordable unit for a ten-year period. The 4% credits have a present value of 30% of the development costs, except for the costs of land, and the 9% credit have a present value equal to 70% of the costs of developing the affordable units, with the exception of land. Both the 4% and 9% credits can be sold to investors for close to their present values.

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private investors, such as banks or corporations, purchase the tax credits for about 80 cents on the dollar, and their money serves as equity in a project, reducing the amount of the debt service and consequently the rents. The program mandates that at least 20% of the units must be made affordable to households earning within 50% of median income or 40% of the units must be affordable to households earning up to 60% of median income. Those projects that receive the 9% tax credits must produce much higher percentages of affordable units.

The Massachusetts Legislature has enacted a comparable state tax credit program, modeled after the federal tax credit program. The One Stop Application is also used to apply for this source of funding.

5. Affordable Housing Trust Fund

The Affordable Housing Trust Fund (AHTF) was established by an act of the State Legislature and is codified under Chapter 121-D of the Massachusetts General Laws. The AHTF operates out of DHCD and is administered by MassHousing with guidance provided by an Advisory Committee of housing advocates. The purpose of the fund is to support the creation/preservation of housing that is affordable to people with incomes that do not exceed 110% of the area median income. The AHTF can be used to support the acquisition, development and/or preservation of affordable housing units. AHTF assistance can include:

- Deferred payment loans, low/no-interest amortizing loans.
- Down payment and closing cost assistance for first-time homebuyers.
- Credit enhancements and mortgage insurance guarantees.
- Matching funds for municipalities that sponsor affordable housing projects.
- Matching funds for employer-based housing and capital grants for public housing.

Funds can be used to build or renovate new affordable housing, preserve the affordability of subsidized expiring use housing, and renovate public housing. While the fund has the flexibility of serving households with incomes up to 110%, preferences for funding will be directed to projects involving the production of new affordable units for families earning below 80% of median income. The program also includes a set-aside for projects that serve homeless households or those earning below 30% of median income. Once again, the One Stop Application is used to apply for funding, typically through the availability of two funding rounds per year.

6. *Housing Innovations Fund (HIF)*

The state also administers the Housing Innovations Fund (HIF) that was created by a 1987 bond bill and expanded under two subsequent bond bills to provide a 5% deferred loan to non-profit organizations for no more than \$500,000 per project or up to 30% of the costs associated with developing alternative forms of housing including limited equity coops, mutual housing, single-room occupancy housing, special needs housing, transitional housing, domestic violence shelters and congregate housing. At least 25% of the units must be reserved for households earning less than 80% of median income and another 25% for those earning within 50% of area median income. HIF can also be used with other state subsidy programs including HOME, HSF and Low Income Housing Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) administers this program. Applicants are required to complete the One-Stop Application.

7. *Federal Home Loan Bank Board's Affordable Housing Program (AHP)*

Another potential source of funding for both homeownership and rental projects is the Federal Home Loan Bank Board's Affordable Housing Program (AHP) that provides subsidies to projects targeted to households earning between 50% and 80% of median income, with up to \$300,000 available per project. This funding is directed to filling existing financial gaps in low- and moderate-income affordable housing projects. There are typically two competitive funding rounds per year for this program.

8. *MHP Permanent Rental Financing Program*

The state also provides several financing programs for rental projects through the Massachusetts Housing Partnership Fund. The Permanent Rental Financing Program provides long-term, fixed-rate permanent financing for rental projects of five or more units from \$100,000 loans to amounts of \$2 million. At least 20% of the units must be affordable to households earning less than 50% of median income or at least 40% of the units must be affordable to households earning less than 60% of median income or at least 50% of the units must be affordable to households earning less than 80% of median income. MHP also administers the Permanent Plus Program targeted to multi-family housing or SRO properties with five or more units where at least 20% of the units are affordable to households earning less than 50% of median income. The program combines MHP's permanent financing with a 0% deferred loan of up to \$40,000 per affordable unit up to a maximum of \$500,000 per project. No other subsidy funds are allowed in this program. The Bridge Financing Program offers bridge loans of up to eight years ranging from \$250,000 to \$5 million to projects involving Low Income Housing Tax Credits. Applicants should contact MHP directly to obtain additional information on the program and how to apply.

9. *OneSource Program*

The Massachusetts Housing Investment Corporation (MHIC) is a private, non-profit corporation that since 1991 has provided financing for affordable housing developments and equity for projects that involve the federal Low Income Housing Tax Credit Program. MHIC raises money from area banks to fund its loan pool and invest in the tax credits. In order to qualify for MHIC's OneSource financing, the

project must include a significant number of affordable units, such that 20% to 25% of the units are affordable to households earning within 80% of median income. Interest rates are typically one point over prime and there is a 1% commitment fee. MHIC loans range from \$250,000 to several million, with a minimum project size of six units. Financing can be used for both rental and homeownership projects, for rehab and new construction, also covering acquisition costs with quick turn-around times for applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC's construction financing with MHP's permanent take-out through the OneSource Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with producing affordable housing.

10. Section 8 Rental Assistance (Housing Choice Voucher Program)

An important low-income housing resource is the Section 8 Program that provides rental assistance to help low- and moderate-income households pay their rent. In addition to the federal Section 8 Program, the state also provides rental subsidies through the Massachusetts Rental Voucher Program as well as three smaller programs directed to those with special needs. These rental subsidy programs are administered by the state or through local housing authorities and regional non-profit housing organizations. Rent subsidies take two basic forms – either granted directly to tenants or committed to specific projects through special Project-based rental assistance. Most programs require households to pay a minimum percentage of their adjusted income (typically 30%) for housing (rent and utilities) with the government paying the difference between the household's contribution and the actual rent.

11. Massachusetts Preservation Projects Fund

The Massachusetts Preservation Projects Fund (MPPF) is a state-funded 50% reimbursable matching grant program that supports the preservation of properties, landscapes, and sites (cultural resources) listed in the State Register of Historic Places. Applicants must be municipality or non-profit organization. Funds can be available for pre-development including feasibility studies, historic structure reports and certain archaeological investigations of up to \$30,000. Funding can also be used for construction activities including stabilization, protection, rehabilitation, and restoration or the acquisition of a state-registered property that are imminently threatened with inappropriate alteration or destruction. Funding for development and acquisition projects range from \$7,500 to \$100,000. Work completed prior to the grant award, routine maintenance items, mechanical system upgrades, renovation of non-historic spaces, moving an historic building, construction of additions or architectural/engineering fees are not eligible for funding or use as the matching share. A unique feature of the program allows applicants to request up to 75% of construction costs if there is a commitment to establish a historic property maintenance fund by setting aside an additional 25% over their matching share in a restricted endowment fund. A round of funding was recently held, but future rounds are not authorized at this time.

12. District Improvement Financing Program (DIF)

The District Improvement Financing Program (DIF) is administered by the state's Office of Business Development to enable municipalities to finance public works and infrastructure by pledging future incremental taxes resulting from growth within a designated area to service financing obligations. This Program, in combination with others, can be helpful in developing or redeveloping target areas of a community, including the promotion of mixed-uses and smart growth. Municipalities submit a standard application and follow a prescribed application process directed by the Office of Business Development in coordination with the Economic Assistance Coordinating Council.

13. *Urban Center Housing Tax Increment Financing Zone (UCH-TIF)*

The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is a relatively new state initiative designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the "increment") of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans from other local, state and federal development programs. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Department of Housing and Community Development may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to DHCD for approval.

14. *Community Based Housing Program*

The Community Based Housing Program provides loans to nonprofit agencies for the development or redevelopment of integrated housing for people with disabilities in institutions or nursing facilities or at risk of institutionalization. The Program provides permanent, deferred payment loans for a term of 30 years, and CBH funds may cover up to 50% of a CHA unit's Total Development Costs up to a maximum of \$750,000 per project.

15. *Neighborhood Rental Initiative Program (NRI)*

The Massachusetts Housing Partnership has introduced the Neighborhood Rental Initiative Program (NRI) to support the development of affordable rental housing in suburban and high-opportunity communities. MHP has committed \$5 million to the program in zero percent interest, second-mortgage financing. The program is targeted towards 219 communities characterized by such factors as good schools, proximity to jobs, higher housing costs and a shortage of affordable housing, including Northampton. Applicants may request up to \$75,000 per affordable unit, which for this program is defined as units serving those earning at or below 50% of area median income for a maximum project subsidy of \$750,000. The minimum project size is five (5) units and 50% of the units must have two (2) or more bedrooms. NRI second-mortgage financing must be used in combination with at least \$250,000 in MHP first-mortgage financing.

C. Homebuyer Financing and Counseling

1. *Soft Second Loan Program*

The Massachusetts Housing Partnership Fund, in coordination with the state's Department of Housing and Community Development, administers the Soft Second Loan Program to help first-time homebuyers purchase a home. The Program began in 1991 to help families earning up to 80% of median income qualify for a mortgage through a graduated-payment second mortgage and down payment assistance. Just recently the state announced that it had lent \$1 billion in these affordable mortgages. Participating lenders originate the mortgages which are actually split in two with a conventional first mortgage based on 77% of the purchase price, the soft second mortgage for typically about 20% of the purchase price (or \$20,000 if greater) and a requirement from the buyer of at least a 3% down payment. Borrowers do not need to purchase private mortgage insurance that would typically be required with such a low down payment, thus saving the buyer significant sums on a monthly basis. Program participants pay interest only on the soft second mortgage for the first ten years and some eligible buyers may qualify for an interest subsidy on the second mortgage as well. Additionally, some participating lenders and communities offer grants to support closing costs and down payments and slightly reduced interest rates on the first mortgage. Northampton is already a participating community in the Program.

2. MassHousing Mortgages

MassHousing has mortgage financing available with low or no down payment requirements as well as 30 to 40-year fixed rates for qualifying low- and moderate-income first-time homebuyers as well as those looking to move up or refinance. The income limit is \$90,720 for those purchasing in Hampshire County. Borrowers apply for the mortgages through participating lenders. The program builds in mortgage insurance to help pay the mortgage in case of job loss.

3. American Dream Downpayment Assistance Program

The American Dream Downpayment Assistance Program is also awarded to municipalities or non-profit organizations on a competitive basis to help first-time homebuyers with down payments and closing costs. While the income requirements are the same as for the Soft Second Program, the purchase price levels are higher based on the FHA mortgage limits. Deferred loans for the down payment and closing costs of up to 5% of the purchase price to a maximum of \$10,000 can be made at no interest and with a five-year term, to be forgiven after five years. Another loan can be made through the program to cover deleading in addition to the down payment and closing costs, but with a ten-year term instead, with at least 2.5% of the purchase price covering the down payment.

4. Homebuyer Counseling

There are a number of programs, including the Soft Second Loan Program and MassHousing's Home Improvement Loan Program, as well as Chapter 40B homeownership projects, that require purchasers to attend homebuyer workshops sponsored by organizations that are approved by the state, Citizens Housing and Planning Association (CHAPA) and/or HUD as a condition of occupancy. These sessions provide first-time homebuyers with a wide range of important information on homeownership finance and requirements. The organization that offers these workshops in closest proximity to Northampton include the Valley CDC and HAP, Inc.

5. Self-Help Housing.

Self-Help programs involve sweat-equity by the homebuyer and volunteer labor of others to reduce construction costs. Some communities have donated building lots to Habitat for Humanity to construct affordable single housing units. Under the Habitat for Humanity program, homebuyers contribute between 300 and 500 hours of sweat equity while working with volunteers from the community to construct the home. The homeowner finances the home with a 20-year loan at 0% interest. As funds are paid back to Habitat for Humanity, they are used to fund future projects.

D. Home Improvement Financing

1. MassHousing Home Improvement Loan Program (HLP)

The MHFA Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of \$7,500 and at least a 3% down payment. Loan terms range from five to 20 years based on the amount of the loan and the borrower's income and debt. MassHousing services the loans. Income limits are \$82,000 for households of one or two persons and \$94,300 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

2. Get the Lead Out Program

MassHousing's Get the Lead Out Program has been offering financing for lead paint removal on excellent terms. Based on uncertain future legislative appropriations, some changes in program requirements were made to insure that eligible homeowners with lead poisoned children would have

funding available for a longer period. All income eligible families who are under court order to delead or who have a child under case management with the Commonwealth's Lead Paint Prevention Program, will continue to receive 0% deferred loans. Owners wanting to delead their homes for preventive purposes must qualify for an amortizing loan with a 3% interest rate if earning within 80% of area median income, 5% interest if earning over 80% AMI and up to the program maximum. Applicants must contact a local rehabilitation agency to apply for the loan.

3. Septic Repair Program

Through a partnership with the Massachusetts Department of Environmental Protection and Revenue, MassHousing offers loans to repair or replace failed or inadequate septic systems for qualifying applicants. The interest rates vary according to the borrower's income with 0% loans available to one and two-person households earning up to \$23,000 and three or more person households earning up to \$26,000 annually. There are 3% loans available for those one or two person households earning up to \$46,000 and three or more persons earning up to \$52,000. Additionally, one to four-family dwellings and condominiums are eligible for loan amounts of up to \$25,000 and can be repaid in as little as three years or over a longer period of up to 20 years. To apply for a loan, applicants must contact a participating lender.

E. Homelessness Prevention and Assistance Programs

Homelessness prevention has been identified as a priority housing need in the Housing Needs Assessment. Programs to prevent homeless include but are not limited to the following:

1. Rental Assistance to Families (RAFT)

The Residential Assistance to Families (RAFT) program, funded by DHCD, offers short-term financial help or other assistance to families who are homeless or seriously at-risk of homelessness. Families can get up to \$3,000 for such items as rent, mortgage payments, security deposits, utility start-up costs, first/last month's rent, moving expenses, etc.

2. Tenancy Preservation Program (TPP)

The Tenancy Preservation Program (TPP) is administered by MassHousing to prevent homelessness among persons with disabilities. The Program acts as a neutral party between the landlord and tenant, also providing clinical consultation services to the Housing Court. TPP clinicians assess the reasons for the eviction, identify needed services, develop a treatment plan to maintain tenancy, and monitor the case. If the tenancy cannot be preserved, TPP coordinates the tenant's transition to a more appropriate placement, preventing homelessness to the greatest extent possible.

3. Homelessness Prevention and Rapid Re-Housing Program (HPRP)

The Homelessness Prevention and Rapid Re-Housing Program (HPRP) was enacted by the federal government as part of the Recovery Act to help persons affected by the current economic crisis to provide homelessness prevention assistance to households who would likely otherwise become homeless and to rapidly re-house persons who are homeless. HUD allows grantees to develop prevention and/or rapid re-housing programs that meet locally-defined needs, to be targeted and prioritized to serve those most in need. This program is not a mortgage assistance program but meant to provide temporary assistance for such items as utility costs, moving costs, security deposits and rent in a new unit, storage fees, and other financing costs or services.

4. HUD Homeless Assistance Grants/McKinney-Vento Appropriations

HUD's Homeless Assistance Grants, funded through McKinney-Vento appropriations, support a variety of programs and activities, largely distributed through the Continuum of Care system across the country. The City of Northampton has served as the lead agent for the Three County Continuum of Care since it was created in 1997. Homeless providers work together to identify their needs and rank projects that they want to fund. HUD then ranks the applications and makes funding decisions. Funds can be used for permanent and supportive housing, transitional housing, and services. Northampton, on behalf of Franklin, Hampshire and Hampden Counties (except the City of Springfield) has successfully applied for and received at least one million and three hundred thousand dollars each year since 1997. There are 10-15 projects funded annually.

APPENDIX 5

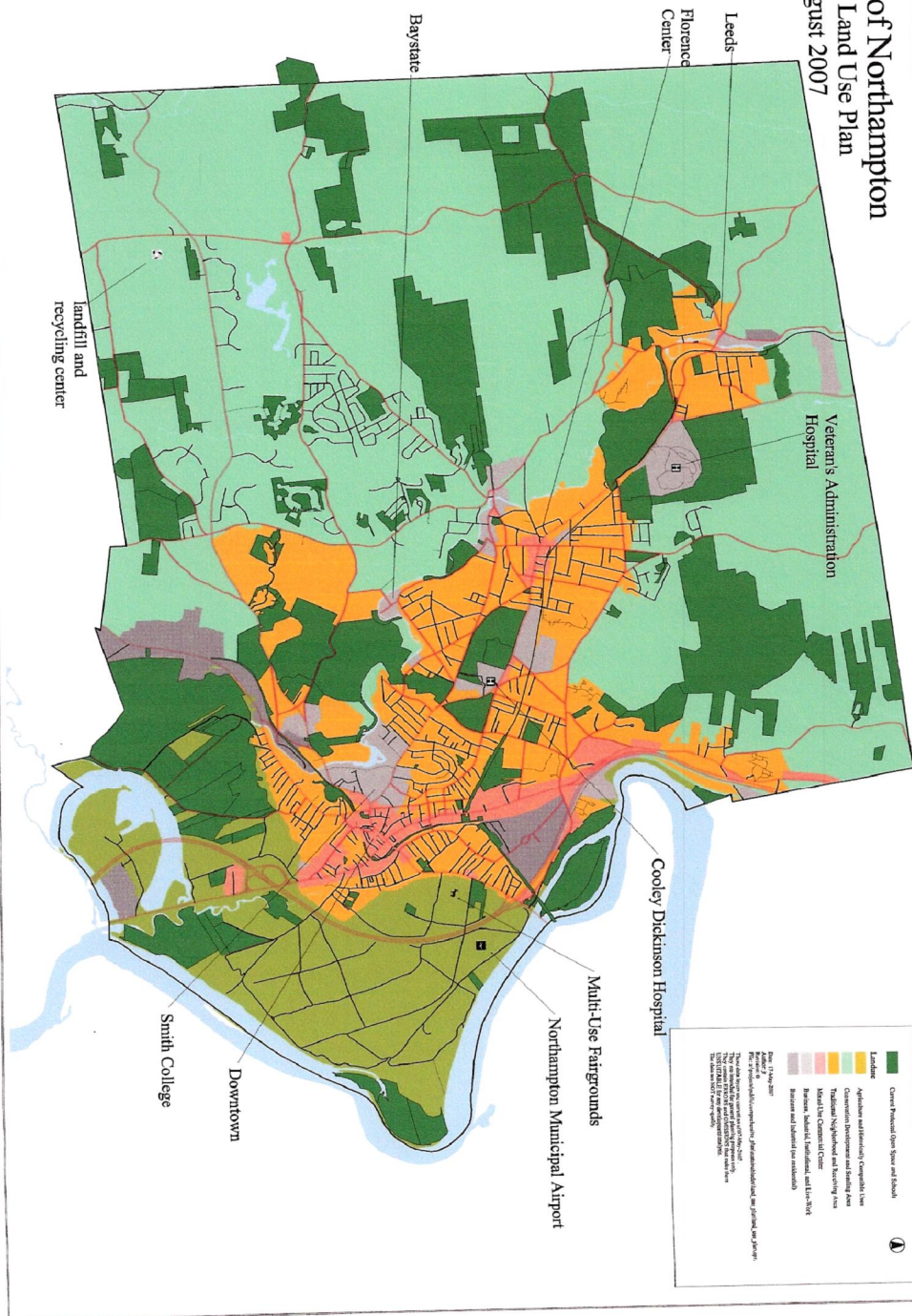
Future Land Use Map

The following map, prepared by the City's Office of Planning and Development in 2007, provides direction for "smart growth" future development patterns. For example, it identifies areas in Northampton where future development should be more concentrated, including the downtown, village areas and along commercial nodes, as opposed to sections of the city that are permanently protected or should be conserved as open space. The map further provides the locations of specific types of land uses including residential or traditional neighborhood areas; mixed-use areas; and areas zoned for business, industrial, and institutional uses and even combined live-work units.

The map, included in the City's Sustainable Northampton Plan, provides the main framework for implementing the following land use objectives:

1. Ask for creative designs and cluster developments that allow higher density to improve the yield of housing in the downtown and village centers.
2. Encourage mixed-use development in both residential and commercial areas such as Florence Center, the Village of Leeds, Bay State, Hospital Hill and satellite commercial areas.
3. Before developing rural areas, and after allowing for green space within densely developed areas, encourage infill development of vacant and underutilized land in around the downtown and in existing denser developed areas.
4. Match the pace of new housing development with the growth in capacities of public infrastructure, public safety, public health, and social services.
5. Locate housing within walking distances along safe paths, or with bicycle access, to and from neighborhood commercial areas, parks and recreation, schools, and public transportation.

City of Northampton Future Land Use Plan 13 August 2007



NORTHAMPTON HOUSING PARTNERSHIP

Appendix 6 Summary of Housing Strategies

*Indicates strategies that have an important but indirect impact on the SHI or produce units that are ineligible for the SHI
 ** Indicates that the strategy was included in the Sustainable Northampton Comprehensive Plan (SNCP)
 *** Indicates that units funded through these programs are counted under other housing strategies.

Goal 1: Create new housing along range of income levels --- ownership and rentals

Organizational Strategies	1 to 2 Years	3 to 5 Years	6 to 10 Years	Lead Entity	In SNCP**	# Aff, Units
5.1.1 Conduct community education Annual Housing Summits Forums on new initiatives Enhanced website Cable programming Training opportunities Continue Valley CDC programs Public info on existing programs and services Outreach on state requirements	X			HP/PB OPD/CEDO HA	Yes	*
5.1.2 Capitalize the Affordable Housing Trust Fund	X			Mayor/CC HP/CPG/HT	Yes	*
5.1.3 Monitor and report on the implementation of this Plan	X			HP/CEDO	No	*
5.1.4 Formalize the affordable housing review process	X			Mayor/HP	No	*
5.1.5 Affirmatively promote fair housing	X			HP/CEDO	No	*
Regulatory Strategies						
5.2.1 Adopt inclusionary zoning		X		PB/OPD	Yes	14
5.2.2 Ease restrictions on development near city and village centers		X		PB/OPD	No	*

5.2.3	Promote mixed-use development in more locations	X	PB/OPD HP	No	*
5.2.4	Revise cluster zoning provisions	X	PB/OPD HP	No	15
5.2.5	Modify accessory apartment requirements	X	PB/OPD HP/Building Insp.	No	*
5.2.6	Rewrite Transfer of Development Rights ordinance	X	PB/OPD HP	Yes	*
5.2.7	Revise parking requirements	X	PB/OPD	No	*
5.2.8	Explore form-based zoning	X	PB/OPD	No	*
5.2.9	Establish a new mixed-use innovation zone	X	PB/OPD HP	No	*
New Housing Production Strategies					
5.3.1	Continue to pursue nontraditional housing models	X	HP/CEDO	Yes	185
	Cohousing				
	Adaptive reuse				
	Mixed-use/above the shop				
	Group homes				
	Congregate settings				
	Cottage-style housing				
	Live-work space				
5.3.2	Fund small infill development	X	HP/CEDO	No	7/5 of the units under 5.3.4 too ***
5.3.3	Establish a subsidy guarantee program	X	HP/CEDO	No	
5.3.4	Make suitable public property available for affordable housing	X	Mayor/CC HP	No	50/10 of these units under 5.3.1 too and 5 under 5.3.2

5.3.5	Provide down payment/closing cost asst.	X		HP/OCED	No	***
Goal 2: Preserve and Sustain Existing Affordable Housing						
Promote the Affordability and Sustainability of Existing Housing						
5.4.1	Monitor and maintain SHI units	X		HP/OCED	Yes	Reduce loss 12
5.4.2	Convert existing housing to affordability	X		HP/OCED	No	
5.4.3	Rehabilitate the Grove St. Inn	X		HP/CEDO	Yes	*
5.4.4	Promote sustainable energy conservation measures		X	HP/CEDO		*
Help Preserve Affordable Market Units						
5.5.1	Sustain and expand housing rehab programs	X		HP/CEDO	Yes	*
5.5.2	Sustain and improve existing SRO units		X	HP/CEDO	Yes	Counted
5.5.3	Create a climate of public support for landlords		X	Mayor/City Council HP	Yes	under 5.3.1 *
Goal 3: Work to End Homelessness						
Continue Active Support for Local and Regional Efforts to End Homelessness						
5.6.1	Continue to facilitate and support the Three County Continuum of Care	X		HP/CEDO	Yes	*
5.6.2	Continue to participate in WMNEH	X		HP/CEDO	Yes	*

5.6.3	Support homelessness prevention programs	X	HP/CEDO	Yes	*
5.6.4	Support Housing First efforts	X	HP/CEDO	Yes	*
5.6.5	Work on economic development and poverty issues	X	HP/CEDO	Yes	*

APPENDIX 7

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